



State Controller's Division 2008–2009 Business Plan

July 1, 2008

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State Controller's Division (SCD)

The SCD Strategic View

The Strategic View defines our Performance Management System and serves to establish a culture of accountability.



“When you think about what organizations you admire most, you tend to think of those that plan well, have great execution strategies, and the discipline to maintain the long term perspective. Dig a little deeper and usually you’ll find it’s all in the quality and professionalism of their people.”

John J. Radford, State Controller

July 2008

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Our Strategic View

Serving the citizens of Oregon by contributing financial management experience and leadership to an accountable and well-performing state government.

Our Purpose

The State Controller's Division (SCD) exists to support and ensure accuracy and accountability in state government financial systems by providing cost effective and efficient services and controls in the management of statewide accounting, receivables, financial reporting, and payroll functions.

Our Values

Committed to Accountability

We apply ourselves to the meaning and spirit of public trust. We value corporate governance in ways that demonstrate transparency, integrity, and respect for the rule of law. We strive to achieve high levels of compliance with professional standards adopted by independent and recognized national authorities.

Committed to Leadership at all Levels

We strive to meet the highest standards of service, professionalism, integrity, and independence at each level and within each person in our organization. We are committed to being efficient and effective in our operations and in promoting creativity, innovation, shared leadership, and responsible risk-taking in our work. We seek to maintain a relationship of mutual respect and trust with those we serve and willingly share our experience and expertise with others.

Committed to Self-directed Professionalism

We value the unique contribution and talents each individual adds to our office and community. We strive to manage on the basis of fairness, equity, honesty, mutual respect, trust, and personal dignity. As our success is dependent on our working together, we promote a spirit of cooperation and teamwork throughout our organization. We are committed to the concept of personal and professional development and support quality-of-life concerns.

Our Role and Mandate

The State Controller is hired by the Director of the Department of Administrative Services and works at the pleasure of the Governor. The State Controller is part of the administrative management team of the Department of Administrative Services. The State Controller is non-partisan, objective, and independent of the government of the day, in meeting independent public sector financial accounting, control, and reporting standards. In doing so, the State Controller contributes to improved accountability and performance in Oregon state government.

Under the authority of the Oregon State Statutes, the State Controller has a mandate to provide statewide accounting and payroll systems, ensure statewide financial policies conform to generally accepted accounting principles, prepare the statewide annual financial report, maintain and improve statewide internal financial controls, and provide related services as required.

Our Business Imperatives

To carry out our mandate, we have developed three business imperatives:

1. Protect the accuracy and integrity of statewide financial information.
2. Promote fiscal accountability, compliance, and sound financial management.
3. Provide reliable and efficient statewide accounting and payroll systems.

Our line of business goals, strategies, our internal organization and reporting structures, and our leadership path are generated by these business imperatives.

Within them, we provide assurance to elected officials and the public that statewide financial systems and the resulting financial information is accurate and reliable, that statewide financial reports are free from material error or misstatement, that statewide policies and controls exist to ensure compliance with state and federal law, and that statewide financial services are being rendered efficiently and effectively.

In exercising this responsibility, we stay attentive to the needs, expectations, and priorities of the Governor, the Legislative Assembly, and the public. At the same time, we remain responsive to, and aware of, the needs and expectations of public sector managers so that we can provide sound, practical financial systems and policies considering the tradeoffs between business risks, political risks, costs, and controls.

Through the diligence and leadership of trained staff, by keeping operational performance statistics, by adhering to national accounting and financial management standards, and by examining and responding to audit and performance information provided by state Internal Auditors and the Secretary of State Audits Division, we enable state agencies, legislators, and the public to rely on statewide financial information.

We consider our office to be an independent source of credible, high quality financial information relevant to Oregonians. We carry out a role that is key to good public accountability and vital to the democratic process of responsible government.

Our Code of Conduct and Stewardship Management Plan

We conduct ourselves as professionals and take pride in our work. We encourage a positive and professional attitude, a commitment to our values, and service standards. As public employees we are governed by various Oregon state statutes and additionally, subscribe to the Code of Conduct promulgated by the National Association of State Controllers.

As the statewide organization charged with the oversight and administration of statewide financial systems, payroll systems, financial reporting, internal controls, and other financial related services, we

are responsible for the independence, integrity and effectiveness of these financial services on behalf of our state government. Having been vested with this important responsibility, our organization and each of our employees have been entrusted by the citizens of our state to perform our organizational activities with the utmost integrity and ethical practices. To ensure the integrity, independence, honesty and ethical practices of our organization, we long ago adopted and continue to maintain compliance with the Code of Conduct of the National Association of State Comptrollers (NASC). This code of conduct set the financial standards for the professional, ethical and independent conduct of our employees.

This Stewardship Management Plan is a further mechanism for ensuring the integrity of our organization by vesting in each of our employees the duty of serving as a steward of our continued ethical and lawful financial practices.

National Association of State Comptrollers Code of Conduct

The National Association of State Comptrollers is an organization of professionals committed to promoting the highest standards of financial reporting in state government, developing and promulgating the most modern and effective methods for processing state government financial transactions, and promoting the advancement of financial management through research and the application of technology. In the pursuit of these objectives, Association members ascribe to the highest standards and principles of personal ethics and professional conduct. The following Standards describe moral, legal, and professional standards of conduct expected from all members of the Association.

INTEGRITY

- ◆ *Demonstrate loyalty, trust, and respect for the state government and public which members represent.*
- ◆ *Avoid impropriety in all professional dealings associated with a member's public office.*
- ◆ *Refuse to engage in any activity that could prejudice a member's ability to carry out his or her duties and responsibilities as public officials.*
- ◆ *Do not prepare, sign, or issue any financial statement or information which does not adhere to generally accepted accounting standards, or in which material information is knowingly omitted or misstated.*

COMPETENCE

- ◆ *Assume the responsibility to ensure personal continuing professional education and development.*
- ◆ *Maintain a current working knowledge of developments, trends, and emerging issues in governmental finance and accounting.*
- ◆ *Actively promote the highest standards of professional competence within a member's own organization and among his or her peers.*
- ◆ *Support and encourage continuous professional development and training in accounting, financial management, information technology, and related disciplines.*

PROFESSIONAL CONDUCT

- ◆ *Demonstrate accountability as state government officials by carrying out responsibilities consistent with the highest standards of quality and professional conduct, organizational integrity, cost effectiveness, efficiency, and customer service.*

- ◆ *Actively support the development of and compliance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board; auditing standards prescribed by the American Institute of Certified Public Accountants and U.S. General Accounting Office; and federal regulations issued by the U.S. Office of Management and Budget and other federal agencies.*
- ◆ *Develop or adopt information technology that will provide efficient and effective performance of responsibilities and services.*

CONFLICT OF INTEREST

- ◆ *Perform in a manner that will promote the public confidence. Never engage in any activity that would suggest the appearance of favoritism or conflict of interest.*
- ◆ *Do not use public resources for personal or political gain, or engage in association's behavior that might impair one's objectivity or independence.*
- ◆ *Pledge to honor and adhere to the professional and personal codes of conduct pertaining to one's employment as a public official or relevant professional certification or license, in addition to these standards.*
- ◆ *Support and promote the mission and goals of the National Association of State Comptrollers.*

Management Overview

SCD is committed to fostering a culture of honesty, integrity and ethical standards in its business practices, including compliance with the NASC Code of Conduct. SCD is also committed to ensuring that all of its business systems, records, services, and audited financial reports are accurate, complete, understandable and not misleading. To that end, SCD maintains internal controls and procedures designed to provide reasonable assurances of the reliability of its systems and financial reporting in compliance with generally accepted accounting principles; safeguards for the management and oversight of SCD's assets; and reasonable assurances that financial and non-financial information in respect to its services and operations is collected, analyzed and timely reported in compliance with financial standards and the NASC Code of Conduct.

SCD has adopted this Stewardship Management Plan to promote proper behavior and deter wrongdoing in our organization; to provide communication channels (including anonymous channels) for employees to report their concerns, without fear of retaliation, of potentially unethical or inappropriate activities in violation of the NASC Code of Conduct at or relating to the division; and to enable SCD to investigate, remedy, and to meet enforcement responsibilities related to any wrongful activities. This Stewardship Management Plan imposes a duty on each of our employees to report through appropriate reporting channels, any activities reasonably believed to violate ethical financial management standards, and to report matters concerning questionable accounting, financial controls and audit practices with respect to SCD's financial statements, reports, and services.

Compliance with this Management Plan will serve to further promote:

- the honesty and ethical conduct of all of our employees in accordance with the NASC Code of Conduct;
- the full, fair, accurate and understandable disclosure in reports and documents that we submit to the Governor, State Legislature, state agencies, stakeholders, customers, the general public, and in the other public communications of the financial results and services of SCD or State of Oregon;
- our continued compliance with applicable governmental standards, laws, rules and regulations;

- prompt internal reporting of unethical, unlawful, or questionable activities; and
- accountability of each of us to serve as a steward of SCD's continued integrity and ethical and lawful practices.

Management Statement

This Stewardship Management Plan applies to the management, supervisory, technical, administrative staff and all other employees/contractors of our organization. As an employee of SCD, you are obligated to conduct your activities in respect to this organization with the highest degree of integrity and ethical behavior; you are to comply with state ethics, honesty, and financial integrity applicable to your position in the organization as well as the other internal policies of SCD; you are to comply with all applicable state and federal governmental laws, rules and regulations in your performance of financial services to and on behalf of SCD.

To the extent that your duties for SCD involve oversight of, or participation in, the accounting and reporting of financial information of the division, you are to exercise those functions to ensure full, fair, accurate, timely and understandable disclosure of SCD and state financial information; and you are to report to the appropriate reporting channel (as described below) what you, in good faith, believe to be violations of this Stewardship Management Plan by SCD, any employee or representative of SCD, or by any person performing services for or on behalf of SCD.

The effectiveness of this Stewardship Management Plan depends, in large part, on the cooperation of each employee of SCD in promptly reporting matters relating to the financial operations of SCD believed to be a violation of state or federal law or SCD's ethical standards, conflicts of interest, or matters of questionable accounting, internal financial controls or audit practices and procedures involving SCD's operations or financial position.

Reporting Procedures

If you should learn of a potential or suspected violation of our honesty, ethics, and financial integrity, a violation of federal or state law by or involving SCD, security risks, or matters involving questionable accounting, internal financial controls or audit practices involving the operations or financial position of SCD, you have an obligation to report that information as follows:

- to the **Director of the Department of Administrative Services**, if the issue relates to the behavior of any Executive Service employee, without limitation, a suspected violation of law;
- to the **DAS Audit Committee and the SCD Compliance/Ombudsperson Officer**, if the issue relates to the behavior of any managers or supervisor of SCD, including, without limitation, a suspected violation of law;
- to the **State Controller and DAS Audit Committee**, if the issue relates to matters involving SCD's financial accounting or reporting, internal controls or auditing practices and procedures;
- to the **DAS Audit Committee**, if the issue relates to the behavior of the Compliance/Ombudsperson Officer, including, without limitation, a suspected violation of law; and
- to an appropriate **Supervisor or the SCD Compliance/Ombudsperson Officer**, if the issue relates to the ethical behavior of an employee and does not relate to matters involving SCD's financial accounting, internal controls or auditing practices and procedures.

The SCD Internal Control Officer of SCD has been designated the **"SCD Compliance/Ombudsperson Officer"** of SCD. All supervisors and employees to whom suspected conflicts of interest or ethical violations or potential violations of federal or state law are required to forward such information immediately to the SCD Compliance/Ombudsperson Officer who in turn will follow all reporting required.

The SOS State Auditor has also established an anonymous reporting channel with an independent third-party. Reporting through this channel may be made by telephone or web access. Separate materials and links describing this service are available on the SCD web site. Reports received through this channel are handled directly by the State Auditor's office depending on the nature of the report.

The SCD Compliance/Ombudsperson Officer and/or the DAS Audit Committee, as appropriate, will investigate or cause the investigation of all reported matters and ensure that, if merited, appropriate remedial actions associated with such investigations are implemented.

In addition to the foregoing reporting channels, questions regarding ethics issues addressing conduct or any applicable federal or state laws, rules and regulations may be addressed to the SCD Compliance/Ombudsperson Officer, or to a supervisor or SCD manager.

Frequently, matters relating to personnel matters and conflicts within your work section will be best addressed by supervisors or SCD Managers, in cooperation with DAS Human Resources. To the extent that these matters give rise to questions involving ethical violations, unlawful behavior, or security risks; employees, supervisors and SCD managers are required to report such matters immediately to the SCD Compliance/Ombudsperson Officer who in turn will follow all reporting required under state Human Resource policies and federal and state law.

Management Against Retaliation

SCD will not tolerate any action of SCD's employees or agent of SCD, to discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in respect to terms and conditions of employment because of any lawful act done by the employee to: (i) report suspected violations of this Stewardship Management Plan, or any statute, rule or regulation of federal or state law; (ii) report potentially questionable accounting, internal financial controls or auditing practices; or (iii) provide assistance or cooperation in, or testimony regarding, the investigation and resolution of any potential violations of this Stewardship Management Plan. Anyone found to have retaliated against another employee in contravention of this Stewardship Management Plan may be subject to appropriate discipline as prescribed in state Human Resource policies. If you believe you have been subjected to such retaliation, you should report the situation as soon as practical to the SCD Compliance/Ombudsperson Officer and to DAS Human Resources in accordance with DAS Human Resources procedures.

Penalties for Violations

SCD is committed to taking prompt and consistent action in response to violations of this Stewardship Management Plan. SCD will promptly investigate reports of suspected violations or wrongful activities. SCD will evaluate suspected violations and wrongful acts on a case-by-case basis. Any employee or representative of SCD found to have violated this Stewardship Management Plan may be subjected to disciplinary actions in accordance with approved DAS Human Resource policies. Related internal policies: DAS Fraud Policy 107.05.030; DAS Employee Standards and Practices 107.05.010; Use of DAS Information and Telecommunications Technology 107.01.010; DAS IT Security 107-01-080. Also, see Whistle-blowing ORS 659.505-.545, Prohibited Conduct ORS 240.710, Unlawful Acts ORS 240.710, Falsification, Fraud, Bribing ORS 240.710.

Stewardship

SCD believes that our organization has been, and continues to be, a center of excellence not only in applying high standards of financial accounting, management, reporting, systems, and services, but in its practices of maintaining the highest level of integrity, ethical standards, and independence in performing its mission. Such integrity and ethical standards are a tribute to SCD's personnel. The

reputation of our organization rests in the trusted hands of our staff. This Stewardship Management Plan vests in each employee of SCD the duty of serving as a steward of our continued ethical and lawful practices.

Our Customer Service Standards

The State Controller's Division continues to give considerable attention to maintaining and improving the quality of our services. Our management, committees, and planning documents deal specifically with customer service issues, the setting of standards, customer feedback, and striving to enhance and improve. We have introduced improvements to our structures and procedures for monitoring the quality of our services and for continually identifying areas where further improvements may be possible. We regularly discuss customer service issues and recognize exceptional customer service reports.

This plan sets out our existing standards and the goals we have set for ourselves in meeting the needs of our customers. It reflects the feedback we have received in recent years, both from our customers and staff, and the insights we have gained through the annual review of progress in achieving our strategic objectives.

The action plan is intended to help us maintain a clear focus on our customers, to sharpen and refine our services, and to ensure that we keep in step with the changing times. Our customers welcome the transparency which an action plan provides while our staff sees it as an opportunity to examine our service levels and see whether our efforts might be channelled more effectively.

In preparing this plan we considered representative feedback from our clients, employees, other stakeholders and consulted widely with various customer service delivery methods and other available resources. We also work closely with staff in key areas of service delivery to ensure that the potential for making further improvements are developed and considered where economically possible.

Our Commitment to Customer Service

This plan sets out our service delivery standards in a clear and transparent manner adhering to generally available principles of quality customer service. In doing so, we support modern public policy objectives in providing highly efficient and effective customer service supporting the mission, purpose, and service delivery strategies of the State Controller's Division.

Our Division is committed to providing a high standard of service to its customers, both internal and external, in accordance with the framework set out in this document, and to making further improvements in the years ahead.

Our Customers

We are strongly committed to providing all of our customers with a high standard of service. These include citizens, the Governor, Legislature, Judicial Department, state agencies, as well as other Government Departments and Offices within the wider public sector. We also have regular contact, both formal and informal, with Federal institutions, financial institutions, regional authorities, academics, economists and lobby groups. Finally, we have our internal customers, our own staff who deliver quality service to our other customers.

Recent Improvements to Our Service Standards

Our commitment to our customers is strongly reflected in the many improvements we have made to our service standards in recent years, the details of which are set out below.

General

A number of improvements of a general nature were made, including:

- The introduction of customer service training for our staff.
- The introduction of handy references such as “Who You Gonna Call” list, with direct access numbers for each member of staff.
- A major redesign of the Division’s web site to improve both content and navigation.
- The use of standardized designs and format in our publications.
- Comprehensive staff training and development.
- The streamlining of the Division’s annual business planning process, including annual business planning documents to supplement *The SCD Strategic View*.
- Performance management performance measures and reporting.

Improvements to Specific Customer Services

- Electronic distribution of general communications.
- Additional helpful reference materials on the SCD Web site.
- Implemented a focus on balancing “control & service” based on finding alternative ways to accomplish customer requirements within laws, accounting and financial reporting principles, and best practice internal controls.
- Increase direct and provide alternative training opportunities for our customers, stakeholders, and internal staff.

Customer Satisfaction and Feedback

We strive to ensure that the needs of our customer are being met across all areas of the Division and to this end we seek ongoing feedback and suggestions on how our services might be further improved. Input is regularly received in both formalized customer and employee service surveys and a corresponding customer feedback offering has been added to our web site. We also conduct informal surveys of our customers and clients to ensure that our service standards are being maintained. A customer service discussion agenda item is included in each SCD Managers meeting for ongoing review and commitment. All SCD Sections regularly conduct customer meetings and forums with their specific customer base.

In Person Callers to the Division Offices

Walk-up callers to the Division offices are made to feel welcome, treated with courtesy, and have their business dealt with efficiently and promptly.

Callers are encouraged to make an appointment where possible and to identify any special needs in advance in order to save time on their arrival.

- We receive all walk-up callers with courtesy.
- We respect their right to privacy at all times.
- We deal with their inquiries efficiently and promptly.
- In the event that an enquiry is not relevant to the Division, every effort will be made to direct the callers to a Division, Department, or State Office that can assist them.

- All SCD employees have visible name plates at their work station.
- SCD Staff expecting personal callers notify Division reception staff if appropriate.
- Continue to provide adequate directional signage in our reception and office areas.
- Continue to improve access to the Division's work areas for people with a disability or impaired mobility.
- Maintain a high standard at our main Division reception area and other facilities for receiving our customers.

Telephone Callers

- We answer all incoming telephone calls promptly.
- We identify ourselves and section on answering the telephone.
- We are as helpful and informative as we can with telephone callers. We strive to include a smile in our voice when appropriate.
- We either call back or leave a message as soon as possible if we cannot deal with an inquiry immediately.
- We give a direct dial phone number and extension so that regular callers do not have to go through the office receptionist.
- We give e-mail addresses where this is likely to be useful to the caller.

Written Correspondence from Constituents and Members of the Public

- We acknowledge receipt of correspondence where it is not possible to issue a final reply within 10 working days.
- We continue to deal quickly with all correspondence. (Since much of the correspondence we receive requires research and consultation, it will not always be possible to issue a final reply within that period; however, we will keep the correspondent informed of developments.)
- We give a contact name and a telephone extension number with our replies.
- We ensure that our replies are clear and easy to understand.

The Division is anxious to ensure that all written correspondence is dealt with fast.

Forms

The Division uses many forms in conducting its business and will continue to ensure that they are as simple and as easy to complete as possible. We strive to include easy to understand and use forms; easy to download electronically; and where appropriate, easy to fill in the blanks.

Publications

Our Division produces a limited number of occasional publications of interest to the public, economic and financial analysts, federal government, and the academic community.

We will ensure that our publications:

- Conform to our prevailing industry design standards.
- Are both timely and accurate.
- Meet the needs of our intended readership.

- Are free of gender bias and discriminatory content.
- Meet the statutory requirements of plain language.

We will also continue to:

- Put our publications on display in our reception areas.
- Distribute in an electronic format.
- Disseminate reports and other information via our web site.
- Where practicable and upon request, make available publications, reports, and forms in a form suitable for persons with visual impairment.

Technology

Our Division is committed to using the best modern technology, including the Internet and intranet sites, to ensure that our services, both internal and external, are of the highest standard. Our Internet strategic vision includes a commitment to quality customer service and to ensuring that only appropriate material is disseminated across the network.

Staff Feedback

Our staff, especially those in direct contact with the public, our clients and stakeholders are a vital source of feedback on our services and the extent to which we are meeting the needs of our customers. Their ideas and suggestions for securing further improvements are sought in a variety of ways, including the annual business planning cycle, the performance management cycle, section level reviews of systems and procedures, and comments and suggestions made through the annual employee survey.

Training for Customer Service

Our Division provides access to formal customer service training for all State Controller Division employees in all key service areas. In addition, customer service is discussed and emphasized in regular section staff meetings and SCD Manager Meetings.

Providing Information

- We will continue to simplify as far as possible the rules, regulations, forms and procedures that we use to carry out our business.
- We will continue to ensure the timely publication of all Division publications.
- We will continue to monitor our website to ensure that it continues to make available a wide range of material of interest to the public, clients, customers, and constituent groups.
- We will continue to exploit cost effective and efficient opportunities offered by advances in technology to improve our information management systems.

Timeliness and Courtesy

- We will promote standards within the Division that ensure our staff continues to attach a high importance to timeliness and courtesy in all dealings with our customers, stakeholders, and internal staff.
- We will continue the provision of customer service training for employees of our Division.

Complaints and Appeals

- We will continue to monitor and review complaints to ensure that errors are rectified and that service delivery standards are consistently maintained.
- We will deal with complaints promptly, sympathetically and in confidence, with due regard to the sensitivities of the complainant and the rights of all concerned.

Consultation and Evaluation

We will seek feedback on our services by:

- Conducting surveys from time to time in relation to aspects of our services.
- Involving our customers in the development of policy changes, processes, and procedures affecting their efficiency and effectiveness.
- Using our various management committees, our annual business planning cycle, performance management reviews, and other similar methods to promote feedback from staff on our services and how they might be improved.
- Continue to make use of our web site for securing feedback from our customers.

Choice

We will increase our service delivery options where feasible, in particular by:

- Using technology to provide increased flexibility in service delivery.
- Making information available electronically through our web site and email.
- Encouraging the use of electronic funds transfer (EFT) for payments.

Better Coordination

We will foster a more coordinated and integrated approach to the delivery of our services by:

- Participating in the wide range of interdepartmental committees and networks which assist us in achieving our objectives.
- Reviewing our relationship with other Divisions and state agencies through our annual business planning processes.
- Pursuing common business objectives (within existing economic constraints) with other Divisions and state agencies particularly those involving the innovative use of information technology.

Internal Employees

We will continue to ensure that our staff (our 'internal customers'), are satisfied with their working environment and with the systems and structures in place to support them in their official activities. In particular we will:

- Continue to address a wide range of issues affecting the welfare and performance of staff through the annual employee survey.
- Through our standing management committees and the annual business planning cycle to seek feedback from staff on the changing needs of the organization and its working environment.
- Through the annual performance management cycle to elicit staff views on factors affecting their well-being and performance in the workplace.

- Provide presentations and discussion opportunities for our staff at formal and informal gatherings on a range of topics relating to best practices in the workplace.
 - Continue to make relevant issue-communications available to staff via email or online in the areas of section performance, general management, planning, human resources, payroll, and retirement.
 - Ensure that regular training and development for staff continues to meet their needs and that appropriate enhancements are made as required.
 - Provide a range of family-friendly working options for our staff, including work-sharing, flex-time, non-standard work hours, and telecommuting options.
-

Work Service Standards

SCD has incorporated our core values and professional standards into the following standards for service. Many of the performance measures presented in this report are designed to help us monitor our ability to meet these standards.

Approaching Our Work in a Fair and Constructive Way

- We lead and control on matters that are of significance and interest to those who rely on our work.
- We are impartial and objective in conducting our work.
- We deliver government accountability and financial information against reasonable expectations.
- We base our work on accountability performance standards used by governments where judged to be appropriate.
- We attest to the fairness and reliability of audited financial information provided publicly and that statewide information is available and complete.
- We conduct our work in a way that enables positive compliance with all applicable financial management standards and laws.
- We offer sound, practical performance in a team environment.
- We issue our internal and external financial products on a timely basis.

Providing Accurate Information, Reliable Controls and Sound Advice

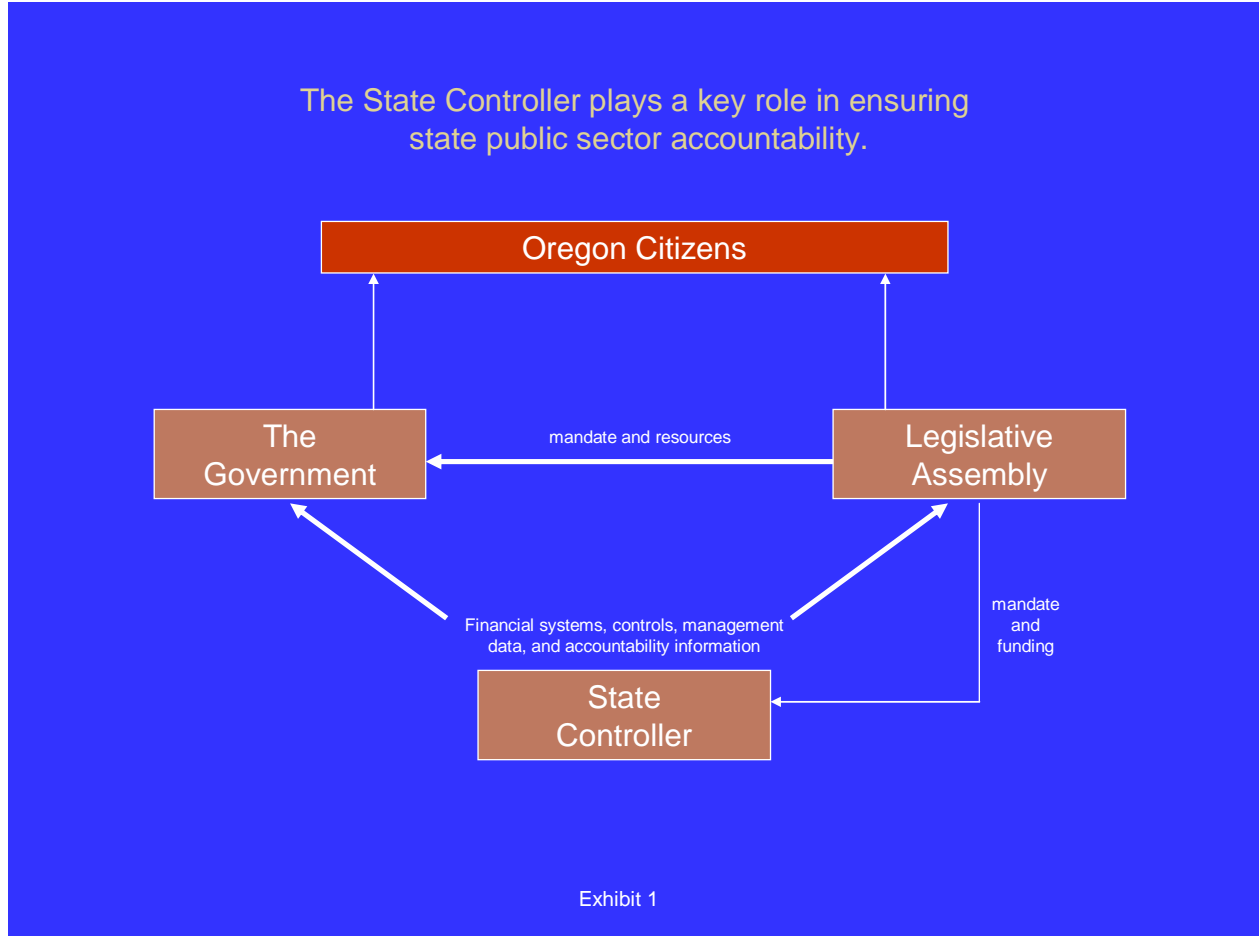
- We conduct our work in accordance with professional public financial management standards, using sound system and financially proven methodologies and techniques.
- We conduct our work using personnel having the knowledge and competence required for the work, including a thorough understanding of the theory and practice of the work or service to be performed.
- We provide reliable, evidence-based planning and management control, ensuring that our work criteria or performance standards, management decisions, and work products are well founded and supported.
- We report all matters of significance to those who rely on our work. We subject our work and methodologies to rigorous quality assurance processes.

Building Strong Relationships

- We are honest and forthright in all of our dealings with those we serve and those who rely on our work.
- We keep all information obtained in the performance of our work in trust for the benefit of those we serve.
- We communicate openly throughout our work with employees, management, auditors, customers, and stakeholders and with those we are directly accountable.
- We document and organize our work to allow open and continuous review of our work by customers, management, stakeholders, auditors, and with those we are directly accountable.
- We welcome and respond to any comments, suggestions or queries from employees, customers, stakeholders, legislators, and the public or government managers.

How We Fit In

By providing leadership in financial policies, controls, services, and managing centralized statewide financial systems that serve to enhance compliance with state laws and accounting standards, we enable legislators and the public to rely on statewide financial information. And by ensuring the relevance and reliability of statewide financial information, we help legislators and the public make informed decisions about the effectiveness of programs and the value received for the public's money. **(Exhibit 1)**

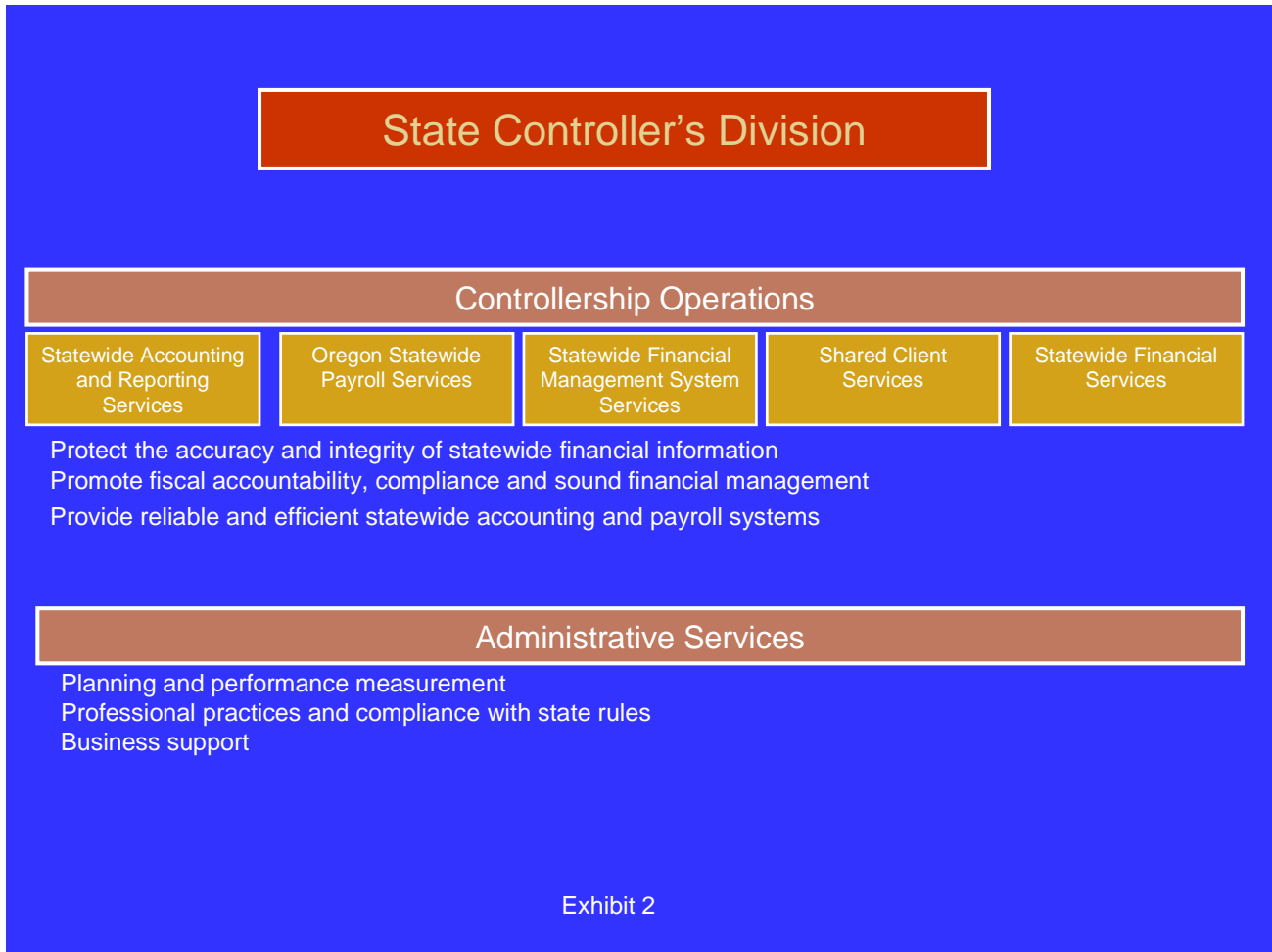


Our office is the primary, independent source for credible and reliable statewide financial information supporting government financial accountability and performance. Our role is key to good public accountability and vital to the democratic process of responsible government.

Our Performance Management Structure

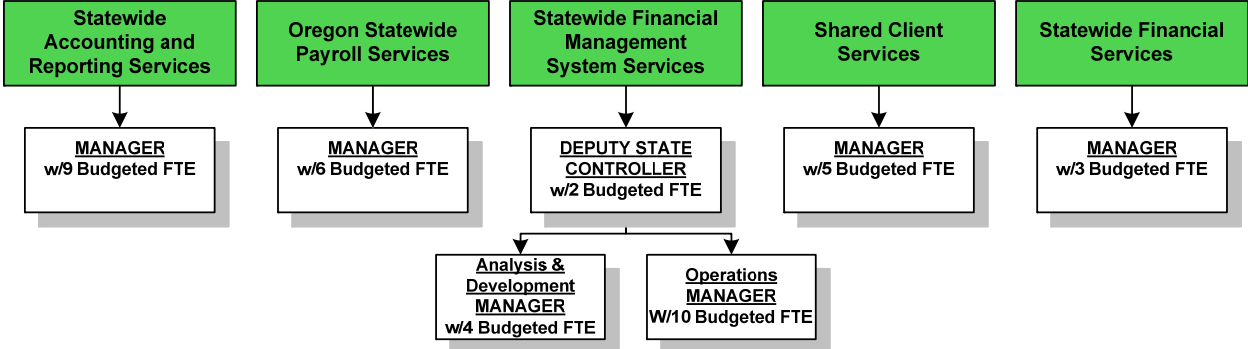
The State Controller is supported by 50 staff members. They include highly trained graduates with professional qualifications in accounting and auditing, payroll, governmental budgeting, business, information technology, and program evaluation.

Our office is organized into five lines of business plus a small Administrative Services section that provides Division leadership and strong administrative support. Each operating section applies resources as appropriate to meet the requirements of our three business imperatives. **(Exhibit 2 & 3)**



State Controller's Division

Controllership Operations



Administrative Services

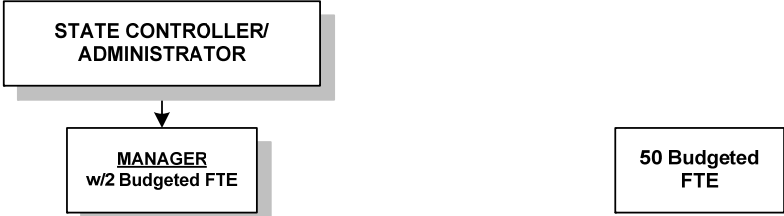
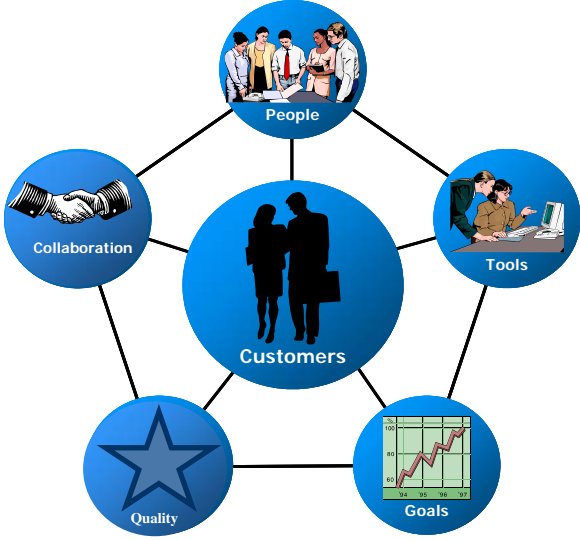


Exhibit 3

Because everything we do revolves around “customers” (including taxpayers, stakeholders, investors, and elected officials), SCD is mindful of the need to integrate resources, leadership, and management and to live within our means in support of our customer’s most important needs. To do this we strive for high standards of quality work by hiring skilled people, supplying them with appropriate tools (including training), instituting a disciplined approach to planning, and collaborating in meaningful ways with our customer base.



SCD Performance Management

How We Allocate Our Resources

We believe the appropriate allocation of our resources is as follows. These allocations of resources allow our lines of business to provide a reasonable focus across each of our business imperatives.

59% to the management, operations, and control of our centralized Statewide Financial Management (accounting) System.

The management of our Statewide Financial Management Application in the Statewide Financial Management Services line of business is focused on data integrity, controls to ensure compliance with state and federal law, and the effectiveness and efficiency of meeting customer accounting system needs with minimal cost. The system and data are linked with the Oregon State Treasury, the Budget and Management systems, and the SCD Oregon State Payroll application of the Department of Administrative Services.

8% in preparing the statewide (corporate) comprehensive annual financial report and the development of statewide accounting, financial reporting, and compliance policies.

The management of our Statewide Accounting and Reporting services line of business is focused on the interpretation and application of government financial accounting standards as they pertain to Oregon state government, the development and delivery of appropriate accounting policies and controls, financial compliance and reporting activities, and the preparation of one of the state's primary accountability documents, the Comprehensive Annual Financial Report (CAFR).

20% to the management, operations, and control of the centralized Oregon State Payroll Application.

The management of the Oregon State Payroll Application in the Oregon Statewide Payroll Services line of business is focused on data integrity, controls to ensure compliance with state and federal law, and the effectiveness and efficiency of meeting customer payroll system needs with minimal cost. The system and data are linked with the Position and Personnel Data Base, the Public Employees Benefit Board Benefits system, and the SCD Statewide Financial Management Application of the Department of Administrative Services.

4% to the focus, leadership, and support of statewide Accounts Receivable, Internal Control, and E-Commerce.

The management of our Statewide Financial Services line of business is focused on compliance with state statutes and the delivery of controls, processes, policies, and procedures in the areas of statewide Accounts Receivable management, internal control management, and in the support of the E-Commerce program of the Information Resource Management Division of the Department of Administrative Services. Agency accounts receivable data and E-Commerce transactions are linked to the SCD-Statewide Financial Management Application.

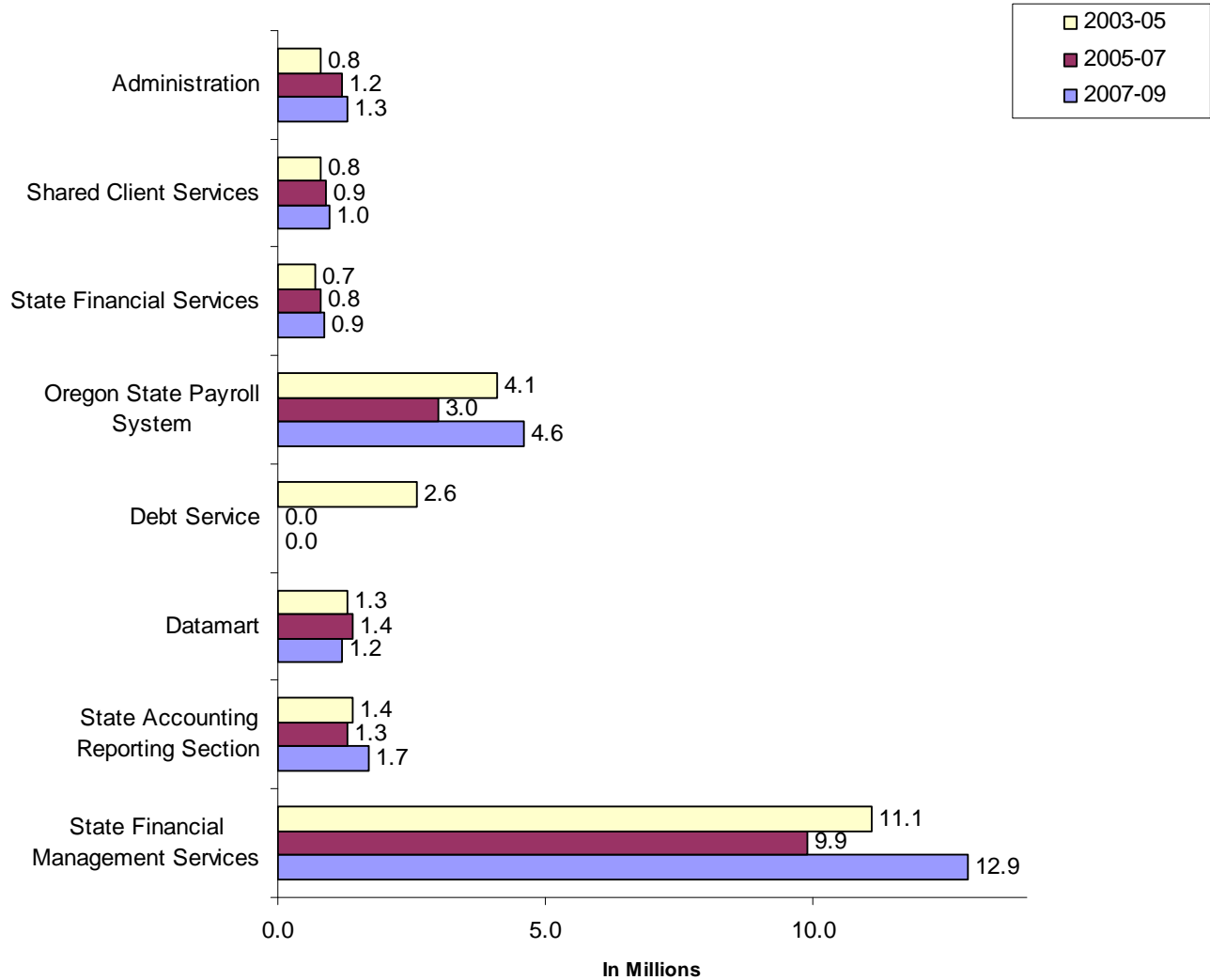
4% to the delivery of shared accounting and budget services that meet small agency needs in a cost effective way.

The management of our Shared Client Services line of business is focused on meeting the customer driven accounting and budgeting needs of approximately 25 small state agencies.

6% to the leadership and support (Administration) of the Division.

Exhibit 4 below shows the overall proportion of operational resources we allocated in 2003/05, 2005/07 and 2007/09.

State Controller's Division Total Expenditures by Program



Total Expenditures 2003-05 Biennium: \$21.5 million
 Total Expenditures 2005-07 Biennium: \$19.1 million
 Total Expenditures 2007-09 Biennium: \$23.6 million

Exhibit 4 - Provided by DAS Operations

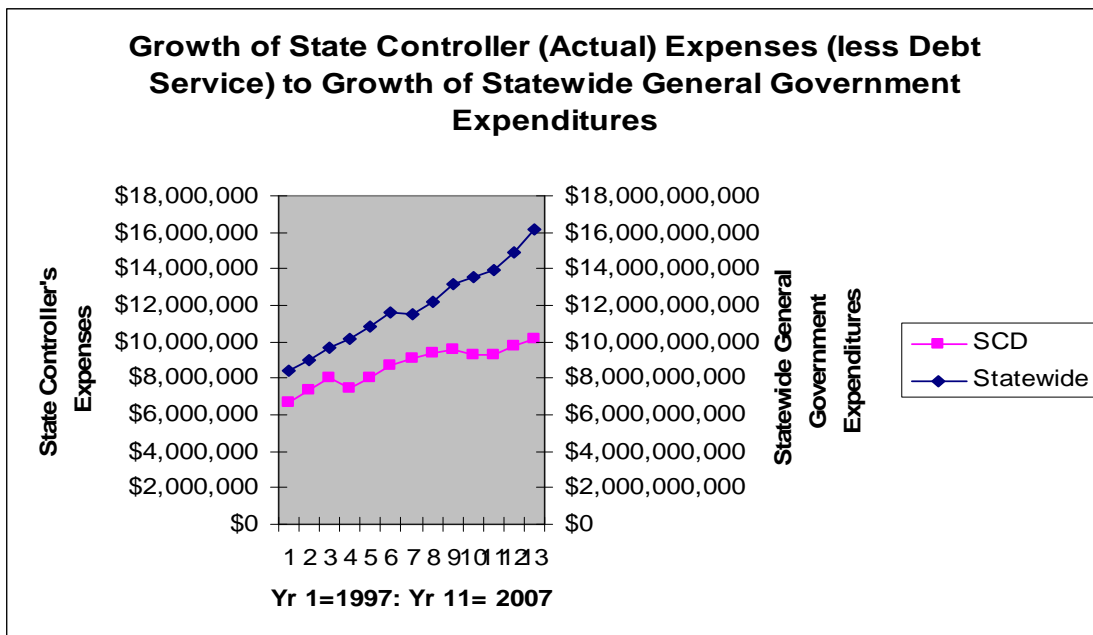


Exhibit 5

Exhibit 5 shows the growth of SCD actual expenditures adjusted without Debt Service payments (to look at the cost of operations only) as compared to the growth of general government expenditures at the statewide level from 1997 projected through 2009. **Exhibit 6** shows essentially the same data comparing the growth of State Controller's actual expenditures against the growth of statewide general government expenditures.

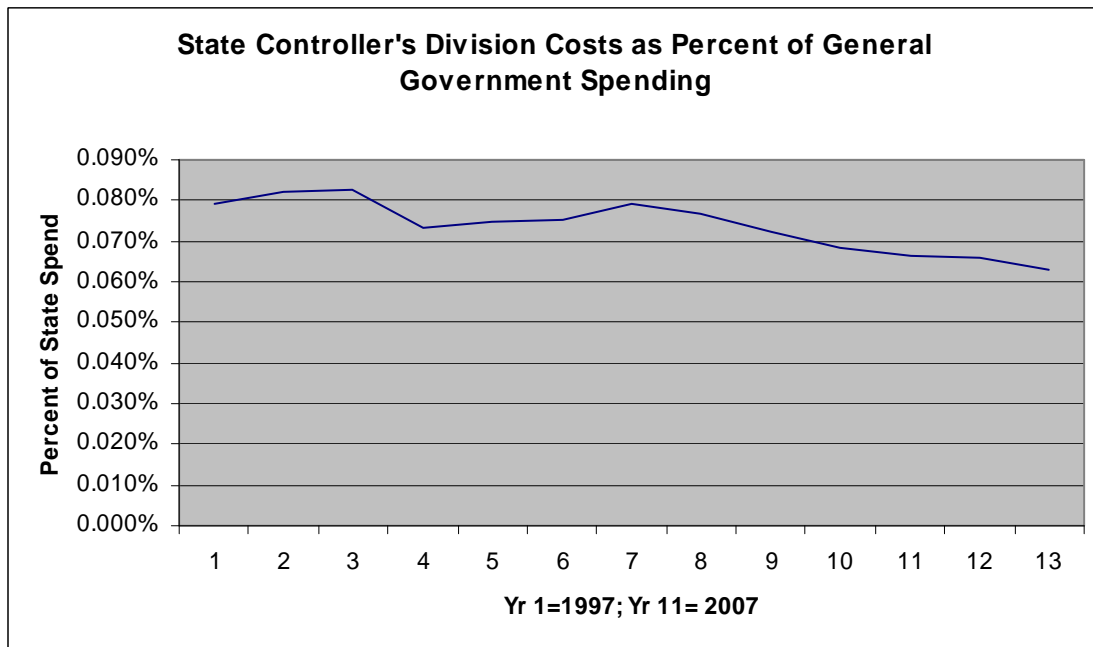


Exhibit 6

SCD expenditure data through FY 2006 for **Exhibits 5 & 6** was provided by the DAS Operations Division and the information for General Government Expenditures was lifted from the most recent audited Oregon Comprehensive Annual Financial Report. Estimated expenditure data for years 2007, 08 and 09 are estimates from SCD.

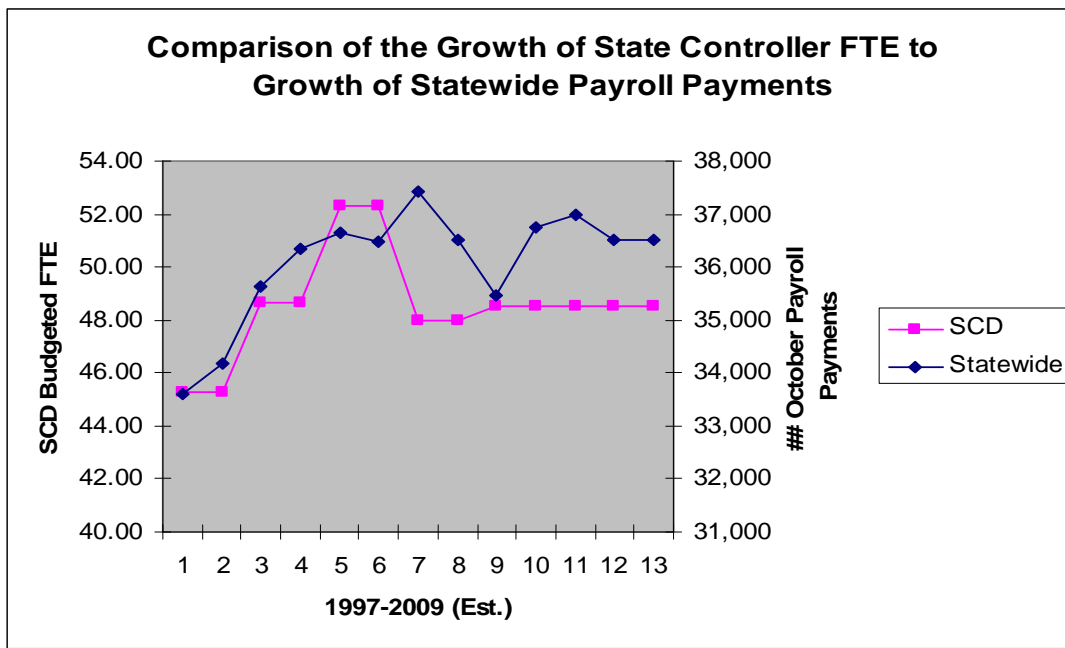


Exhibit 7

The chart in **Exhibit 7** shows a comparison of budgeted FTE in the State Controllers Division compared to annual payroll payments taken each year for the month of October. (as a point of reference)

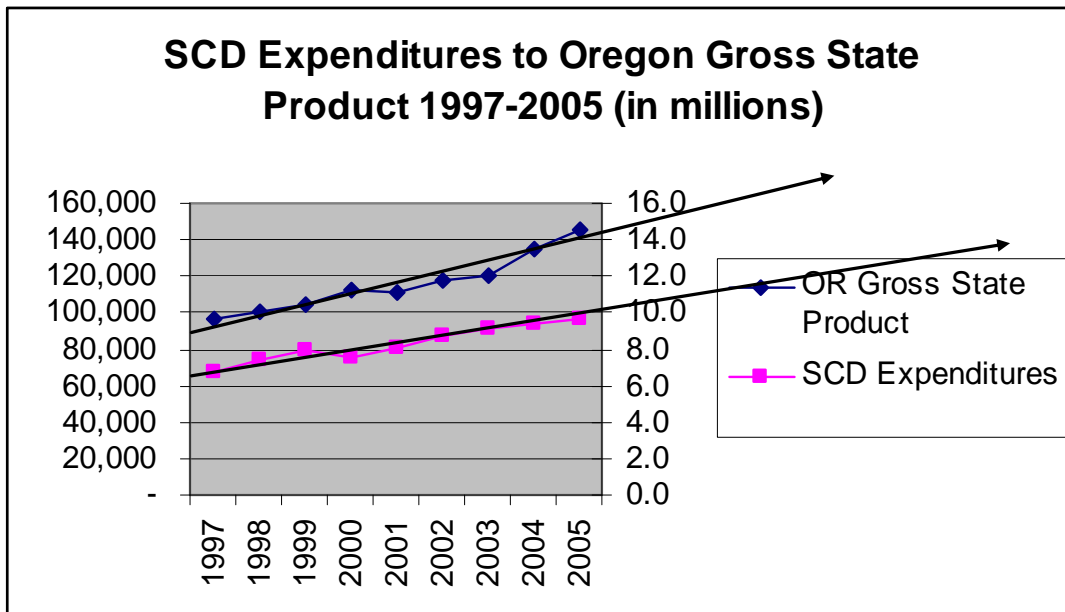


Exhibit 8

Exhibit 8 is a comparison of the growth of Oregon's Gross State Product (GSP) to the growth of the State Controller's expenditures from 1997 to 2005. Oregon's GSP is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce.

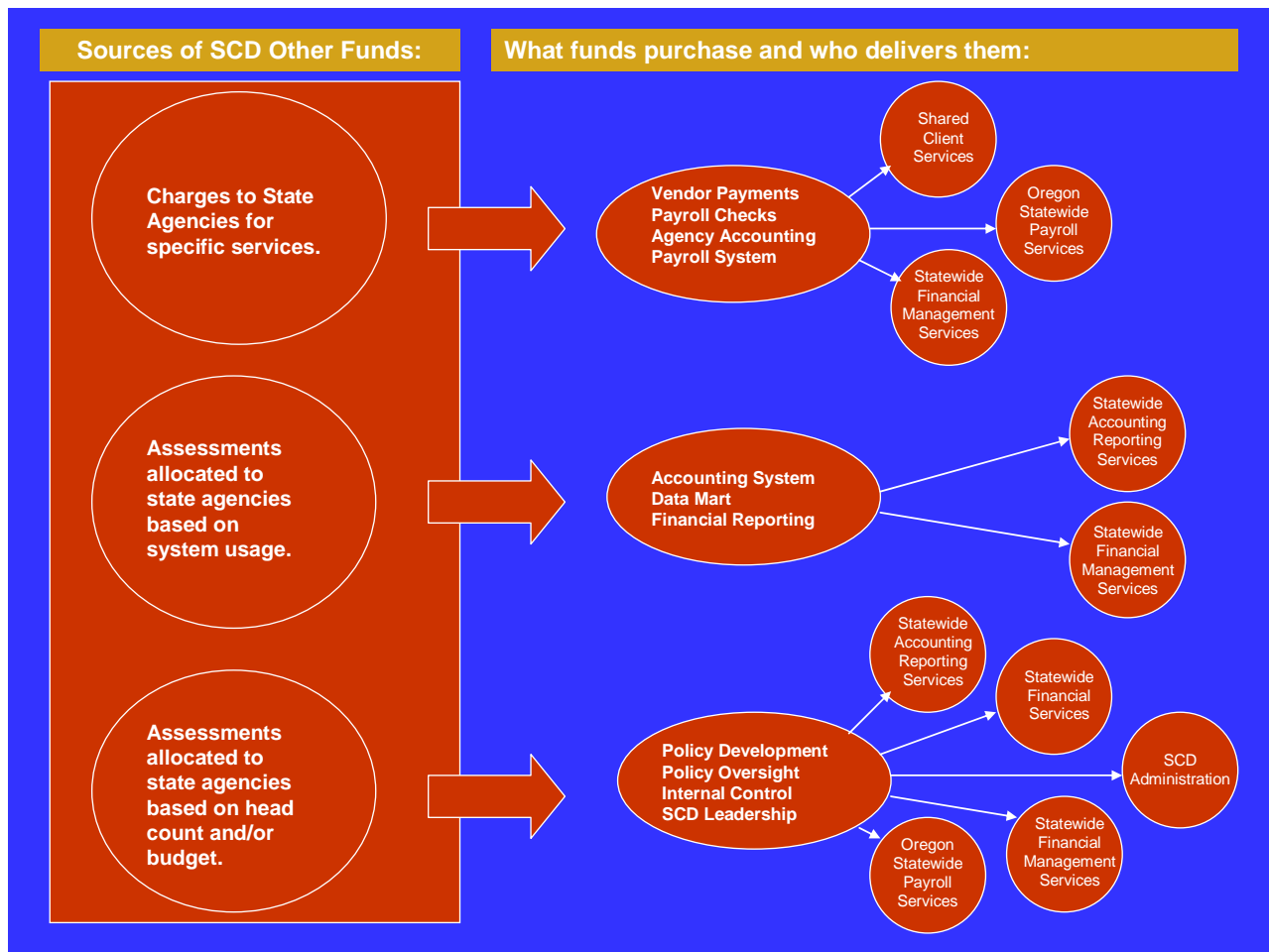


Exhibit 9

SCD is funded from charges and assessments to state agencies based on direct services, system usage, or by FTE/budget. We believe this is a fair allocation to all funds and sources of funds across state government. **Exhibit 9** shows the principle sources of SCD funds, what those sources of funds purchase stated in terms of services delivered, and the SCD organizational units that deliver those services and manage those funds. This exhibit shows where the money comes from, how the money is being used to support state government, and what organizational units within SCD are responsible for delivering those services.

Productivity of Labor Assumptions

The State Controller’s Division allocates labor resources to many federal and state financial accounting and payroll management and reporting requirements; system requirements; the preservation of state financial management related assets; internal controls and data integrity; and other financial management services.

In the allocation of those resources, it is important to understand the underlying realities of work-place productivity and operational constraints.

An FTE (full time equivalent) of budgeted labor consists of 2,080 hours per year or 260 days of productivity. However, not all of that labor time is productive time spent providing and delivering direct accounting, payroll, reporting and other SCD fiscal services. A portion of that time is allocated for other purposes as the following table shows.

Total Available Work Hours	100%	2080
Less:		
10 state holidays	3.8%	-80
3 Personal Business Days	1.2%	-24
1 Holiday Day Off – Subject to Governor's Decision on Annual Basis – Guaranteed for Union Employees	0.3%	-8
Average Vacation Time/Yr	5.7%	-120
Average Sick Leave/Yr	2.7%	-56
Break Time @ 30 minutes/Day – Required for Union employees; Optional for management employees	5.4%	-112
<i>Employee Activities:</i> Wellness Events, Food Drive Events, Donating Blood, Jury Duty, Toy Drive Events, Combined Charity Fund Drive Events, Retirement Planning, State Job Interviews, Employee Celebrations, Union Meetings, etc.	1.4	-30
<i>Employee Training:</i> Drivers Education, CPR and First Aid, Ergonomics, Plain Language, Communications, Teambuilding, Supervision, Ethics, Leadership, and Technical Job Training.	1.9%	-40
<i>Administrative Activities:</i> DAS Wellness Committee, DAS Diversity Council, DAS Safety Committee, DAS Evacuation Committee, DAS Communications Team, DAS IT Council, open enrollment, recording time & attendance, managing leave, performance evaluation processes and documentation, processing invoices & payments, processing personnel actions & forms, processing budget forms, managing physical security, managing IT information asset security, attending department informational meetings, etc.	2.9%	-60
Total Nonproductive Time	25.5	530
Total Productive Time Applied	74.5	1550

When assigning SCD resources to projects and work deliverables, producing cost estimates, budgeting new resources, linking human capital to outputs and outcomes; the State Controller uses a general guide of 75% available productive capacity per average FTE.

Our Performance Management Cycle

Throughout the year, we obtain and process a large amount of information about local, national, and international developments and changes in public sector laws, accounting, payroll, technology, and financial reporting practices. Our scan includes regular reviews of Secretary of State Audit reports and internal audit reports. This scan helps us ensure our work focus reflects audit issues, shifts in public sector strategies and operations including changes in technology, the direction of standard setting bodies, and changes in government laws and policy.

Our strategic business planning process utilizes customer and stakeholder interactions, customer satisfaction surveys, and joint planning sessions. These processes provide us with a framework against which we can progressively monitor and measure the achievement of our goals and objectives. SCD conducts quarterly reviews of all operational performance measures established by each line of business service plan assessing performance against the previously published line of business service plan.

The result of this planning process (shown in **Exhibit 10**) is confirmation of amendments to our annual line of business service plans. This information in turn leads to a work program for the coming year.

Biennially, the information is used in the development of the Governor's biennial budget process and will lead ultimately to evaluation and adoption by the Oregon Legislative Assembly. Also biennially, each line of business service plans reflect legislative changes confirming our strategic direction and priorities.

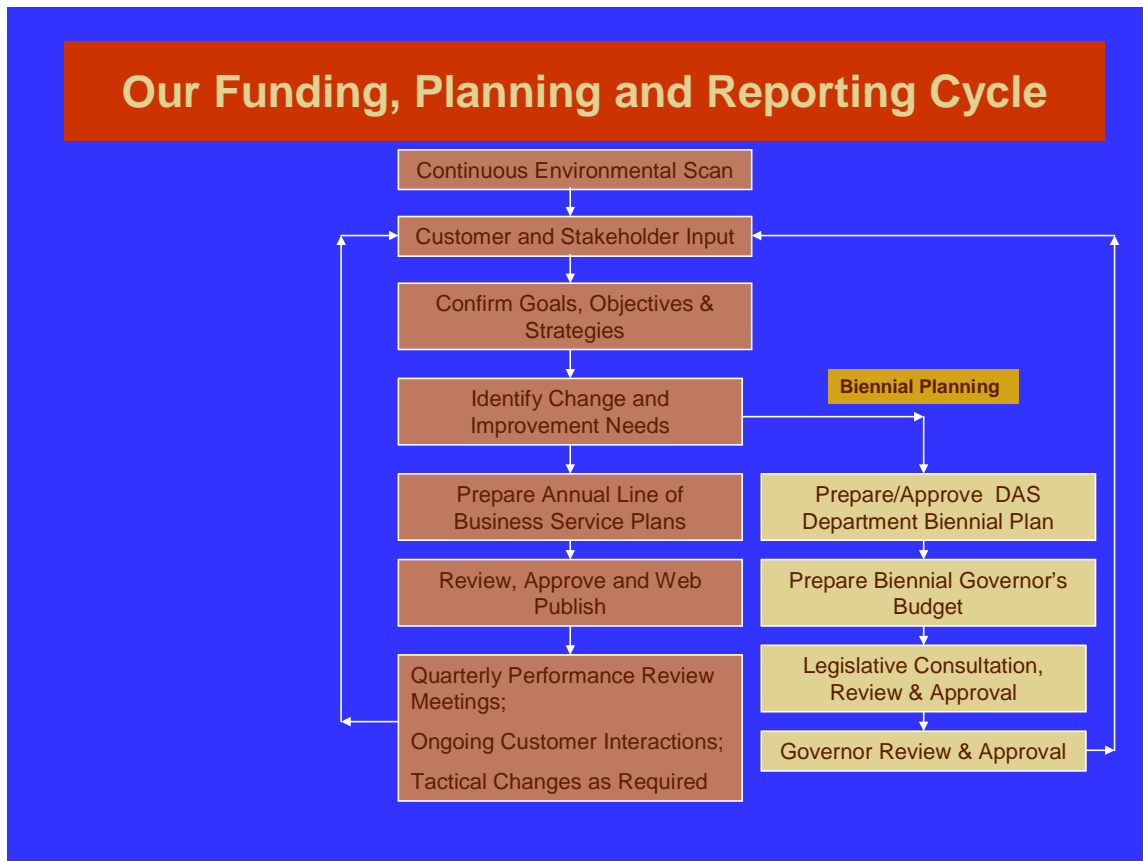


Exhibit 10

How We Drive Decision Making

Decision making in any organization of people is a key component contributing to the success of that organization. This is true whether it be at the individual, team, or cross-collaborative level of operations. The following statements guide our decision-making capabilities.

- All decisions are made on the principle that we put Oregonian's and our customer interests first, SCD second, and the employee's self interest last. We do not accept employees into our organization that fail to operate in this way. We desire to achieve levels of customer satisfaction that result in positive proactive customer interactions, ratings, and positive SCD comments becoming the norm for our lines of business.
- We appreciate individualists – but value more highly those who leave their personal agenda behind and promote the interests of their team first. This means we encourage and respect different perspectives and appreciate active participation, accountability, and personal commitment in decision making.

- We strive to implement recognition driven by an assessment of overall team contribution to the success of our work, not on short-term individual performance.
- Everyone is encouraged to learn and develop new skills. Our organization has an obligation to help each individual achieve this. We do not have the luxury of adding staff, so we focus investments on the staff we do have to maximize productive capacity.
- Each year, we consciously invest a significant amount of time in training, planning, and improvements that will pay off in the future.
- Those in management roles are evaluated and recognized equally on the success of their team accomplishments and on their individual performance in contributing to and leading team results.
- Individually and collectively, we operate with a “stewardship” mentality to each other, accepting the obligation to coach, mentor and develop all of our employees and colleagues.
- We do not tolerate abuse of power or position, a lack of respect in dealing with other people at any level in our organization, politicking, individuals who cannot be relied upon to keep their word, or shirking or dumping responsibility. Only those of the highest honor and integrity are permitted and encouraged to retain employment with SCD.

Responding to Our Environment

We have identified five key challenges facing the work of SCD.

Credibility

The first challenge is to ensure that our work is credible and adheres to strict standards of accounting and financial reporting. Accounting standards continue to undergo unprecedented public scrutiny and change as a result of the failures in recent years of several major global businesses. The Government Accounting Standards Board—the standard-setter for the government accounting profession in the United States—has, over the last several years, issued a number of new standards that are significantly affecting the work of our office. Our credibility rests on adherence to the standards.

Under these new standards, for example, the financial statement preparer accountant and the systems accountant must: develop a greater understanding of certain financial transactions and their affect on reported assets and liabilities; understand more of agency financial operations including internal controls to prepare appropriate policy and procedural guidance; understand, document, and prepare additional required disclosures contained in our financial statements; and carry out a more technical workload to achieve compliance.

Complying with all of the new standards will require greater accounting and systems effort on our part, which will inevitably require more time.

Independence and Objectivity

The second challenge is to ensure that our professionalism, independence and objectivity remain intact. The value of what we do relates directly to the public’s confidence “in the numbers.” In undertaking our work, we need to be properly supported from any influence that could compromise compliance with both accounting standards and federal and state laws affecting our work.

The objectivity of our office is preserved by the many checks and balances instituted in state statutes. In addition, SCD as noted above subscribes fully to the Code of Conduct as promulgated by the

National Association of State Controllers. Not only are these standards required, but they are fundamental to the role of a state controller.

Relevance

The third challenge is to ensure that our work is of the highest relevance to the public, state agencies, and members of the Legislative Assembly.

The challenge for the office is to build on these expectations by encouraging greater use and awareness of the value of financial reporting, develop appropriate quality assurance methodologies, and work with our state internal auditors and Secretary of State Auditors to build capacity for carrying out such quality assurance work. The need is greatest in the areas of management and internal financial controls across state government.

Another aspect of relevance is to maintain as much compliance awareness as possible across the many important areas of government. The breadth of state financial activities far exceeds the office's capacity to undertake a compliance assessment of management and internal financial controls in state government. (We do rely heavily on the work of state internal auditors and work products of the Secretary of State Audits Division.) We must make difficult choices about which significant areas of state government to provide additional financial management attention. For example, over the past few years, limited resources have been targeted to provide assistance to the Public Employees Retirement System, the Department of Human Services, Employment Department, and Corrections.

The challenge for us is to provide as much attention as possible across state agencies to keep compliance with management and financial internal controls within our financial constraints, while maintaining the highest standards possible.

As our customers and stakeholders often have competing interests, we must strive hard to strike an effective balance between our "control" and "compliance" mandates and our "service" mandate.

Capacity

The fourth challenge is to maintain our systems and human resource capacity. Accounting is a knowledge-based business. Our office needs experienced staff who have not only skills in accounting, payroll, and financial reporting, but also expertise in state law, federal law, modern budget processes, and technology systems.

Given the broad range of financial accounting activities and needs of state agencies, it is challenging for us (at the statewide level) to develop and maintain this technical capacity from year to year. It is even more difficult for state agencies. Positions are increasingly difficult to fill and the state continues to lose many valuable and highly experienced people who have helped carry out complex projects and perform well under complex accounting standards. Recruiting and retaining staff will continue to challenge our ability to build and sustain capacity across state government for the future.

Technology continues to march forward without regard to one's ability to pay for change. Our systems obviously continue to age not only in terms of years of service, but in "technology years," a concept similar to "dog years." The management tradeoffs here center on the age, maintenance cost, and functionality of old systems vs. the benefits, risk, and massive cost of investing in new systems. It is our number one long term strategic challenge and will be a significant future challenge for state government.

**Accounting System
Economics 101**

“Connect the Dots”

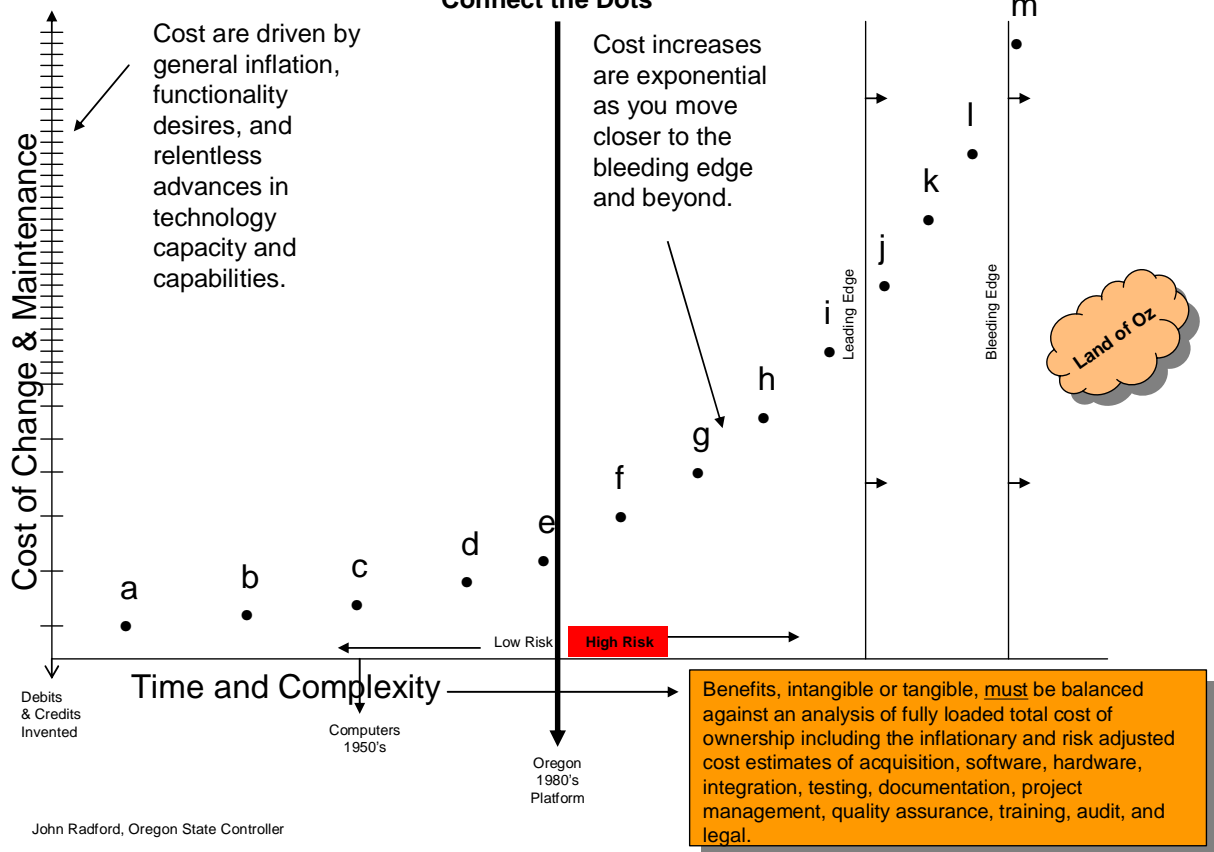


Exhibit 11

Exhibit 11 demonstrates our thinking behind our value based approach in managing complex and expensive accounting and payroll systems. The notion here is to give strong consideration in meeting existing essential payroll and accounting needs while extracting maximum value from existing investments before investing large sums of money in replacement systems—considering benefits, risks, total cost of ownership, and other environmental factors.

Work Environment

The fifth and final challenge is to ensure our key resources—our staff, have the tools and support they need to pursue excellence in their work.

Although recent results of our employee survey indicate fairly high employee engagement, we must proactively ensure we have a strong work environment. The necessary tools and business support include strategic planning, human resources, training, appropriate workspace, and up-to-date computer systems.

The recent statewide employee turnover we have been experiencing, along with new accounting standards (referred to earlier), means we are having to step up our training program to ensure state staff have, and maintain, required competencies. Investing in these types of tools and support has to be balanced with the resources we require for producing our most critical work products. Finding the right balance is an ongoing challenge for us.

Our Five Key Challenges

Credibility: Our work is done in an efficient, effective and professional manner. *(Risk: We cannot be successful if we provide inappropriate or incorrect services and information. Our reputation is critical to our success. We know it can take years to build a positive reputation and only moments to lose it.)*

Independence and Objectivity: Our Office is independent from political parties and state programs, and provides objective services and reporting based on standards and laws. *(Risk: We cannot be successful if we lose, or are perceived to lose, our professional independence or objectivity.)*

Relevance: Our work program is relevant to the needs of the public and its elected representatives. *(Risk: We cannot be successful if we do not adequately understand or respond to the information needs of our stakeholders.)*

Capacity: We have the human resources to complete our work effectively. *(Risk: We cannot be successful if we are not able to recruit and retain high quality professionals. We cannot be successful, in the long term, if we cannot acquire and deliver modern technologically advanced financial systems.)*

Work Environment: Our work environment effectively supports our accounting, payroll, financial reporting and other services and helps to make the office an attractive place to work. *(Risk: We cannot be successful if we do not have the necessary mechanisms and tools—planning, human resources, training, information systems and business support—we require to do our work competently and effectively.)*

Our Reporting Framework

Linking Goals, Strategies and Results = Performance Management

The State Controller's line of business plans are included after this Strategic View. These plans provide the framework linking goals, strategies, resources, and results that enable management to ensure resources are effectively applied, being consumed efficiently, and directed to achieve intended results.

Resources are the human, financial, and physical capital we invest to make things happen – to achieve results in terms of the business imperatives discussed above and to contribute to a higher standard of living for all citizens.

Strategies bring to life the policy choices of the Governor and the Legislative Assembly. We do this by setting program priorities, aligning resources, and putting in place sound management practices. Results represent the value created through our efforts. They are the outputs and outcomes that benefit all customers, stakeholders, and citizens.

In our view, well run organizations link resources, strategies, and results clearly.

Such linkages enable sound planning when making and explaining choices on:

- the results to be achieved;
- the policies, programs, and services to be put in place; and
- the resources—human, financial, and physical—to be allocated.

Our Performance Management Results

The State Controller's line of business quarterly performance reports are presented at the following web address:

http://www.oregon.gov/DAS/SCD/docs/general_info/SCD_PMTracking.pdf

Sound planning provides the required direction for managers to manage – to align efforts, to set performance indicators and targets, to measure and monitor performance, and to adjust. Linking resources, strategies, and results is also a requisite to managing risks and explaining performance.

To manage risks effectively, we need to know what success looks like in terms of the results to be achieved, and what it takes to get there in terms of the resources and strategies being put in place. This knowledge informs us on what to look out for along the way and the risks we need to manage carefully.

Meaningful performance reporting explains how we link resources and strategies to achieve results. And explains what changes we are making to perform better and thus creating greater value for our customers, stakeholders, and citizens.

The Department of Administrative Services annually conducts a Customer Satisfaction survey. Below are the 2007 results of SCD customer performance measures. There was a design glitch in the "Expertise" area for 2007 and thus no information is available regarding this criteria. SCD strives to achieve a 90% level in all service criteria categories and in 2007 achieved that objective in two service criteria categories as displayed in **Exhibit 12** below. Results are calculated by adding total "good" and "excellent" responses, and then dividing that number by the total valid responses.

Customer Satisfaction Percentages by Service Criteria

2008 Data

Service Area	Timeliness	Accuracy	Helpfulness	Knowledge/ Expertise	Information Availability	Policy and Direction	Overall	Average By Service Area
SCD	85.0%	85.0%	83.0%	81.9%	78.3%	75.8%	81.3%	81.5%
DAS								
Combined	65.8%	65.2%	72.9%	74.7%	63.0%	52.9%	65.9%	65.8%

2007 Data

Service Area	Timeliness	Accuracy	Helpfulness	Expertise	Information Availability	Overall Quality	Rapport	Effective Policies and Clear Direction	Average by Service Area
SCD	91.27%	88.89%	90.48%	Not avail.	85.48%	88.89%	88.43%	81.45%	87.84%
DAS									
combined	70.21%	71.23%	74.45%	75.18%	64.18%	70.26%	71.66%	61.05%	69.78%

Exhibit 12

Our customer satisfaction survey additionally provided written comments and suggestions by our customers and stakeholder groups. We take our customer comments seriously and execute upon them in two ways. First, we immediately develop response strategies to address as many concerns as we can in the short term and second, we incorporate the written comments into our funding, planning, and

reporting cycle as described in **Exhibit 10** of our Performance Management Cycle process described above. All SCD Section Business Plans thread actions and responses to customer input throughout each section plan.

How We Manage Our Information Supply Chain

SCD manages, invests, and delivers systems and data that meet a wide variety of external and internal governmental information needs. These needs can be derived from law, reporting standards, contracts, accepted business practices, and to meet the ever changing information needs of business owners, policy analysts, management, elected officials, and other consumers.

The majority of our information supply chain is targeted to meet the information reporting requirements in the areas of fiscal internal control, investor and citizen accountability, inter-governmental reporting, and compliance with legal provisions contained in state and federal laws. In addition, our systems are designed to give **management** the ability to capture and report managerial information for the purposes of managing cost, business risk, and performance at various levels throughout the organization.

To a significant degree, the flows of data and information to meet mandatory external reporting needs are governed by system controls, national accounting and reporting standards, state and federal law, and contractual agreements.

State management and system users and internal information consumers have significant influence and responsibilities in the design, development, and application of the underlying central and agency sub-systems and structures used to capture and report management information. For example, state agencies have the ability to design the capture and tracking of programmatic, organizational, labor, project, grant, and fund financial information as needed to support effective and efficient decision making internal to their operations. They have the ability to link that financial information to specific outputs and outcomes to enhance cost control and make knowledge-based performance management decisions. The level of sophistication and results obtained are closely linked to managerial motivation, organizational culture, and management priorities.

As in any large interconnected organization, the challenge for central authorities is how to best integrate investments in existing systems with new and better opportunities recognizing the constraints of organizational culture, current and future resources, and the abilities of the current and future workforce to adapt to change.

Exhibit 13 shows that the design and development of our information supply chain is significantly based on well-defined information and accountability needs of state government as promoted or constrained by information users and other resources. Current state systems provide a wide range of both paper-based and electronic reporting capabilities. All data and information maintained on state systems, including the delivery of data and information must be maintained consistent with state security policies and underlying security architectures.

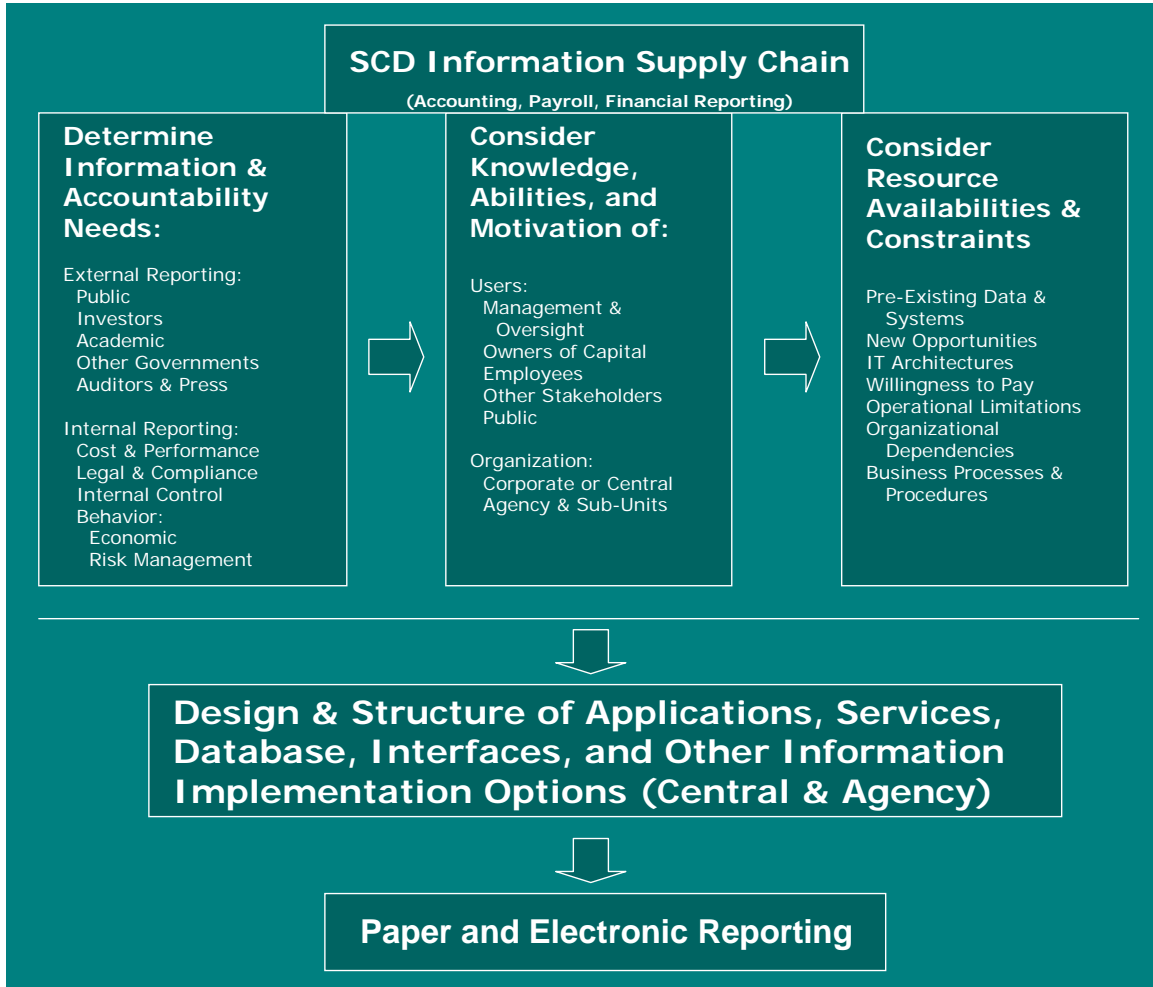


Exhibit 13

How We Evaluate Our Risk Factors

Future results of State Controller Division operations are subject to a number of risks and uncertainties. These risks and uncertainties could cause actual results to differ from historical and current results and from our planned line of business projections included in this document. Important factors known to us that could cause such differences include, but are not limited to, those discussed below.

We may make errors and omissions in providing services, which could result in penalties, liabilities, and unintended consequences for us: Processing, tracking, collecting, and remitting agency funds to the applicable tax or regulatory agencies, vendors, state employees, and other third parties are complex operations. These tasks could be subject to error and these errors could include, but are not limited to: late filing with applicable tax or regulatory agencies; underpayment of taxes; failure to comply with applicable bargaining agreements, contracts, and banking regulations; failure to comply with federal and state laws relating to vendor disbursements, payroll, and employee benefits administration; failure to identify and implement internal control; all of which could result in penalties, liabilities, or other losses that would adversely affect our results of operations. We could also transfer or disburse funds in error to an incorrect party or for the wrong amount, and may be unable to correct the error or recover the funds, resulting in a loss to us.

Our business and reputation may be affected by our ability to keep state and customer information confidential: Our business involves the use of varying amounts of private and confidential information including employees' identification numbers, vendor identification information, bank/treasury accounts, accounting and budget information, historical information, and retirement account information. This information is critical to the accurate and timely provisioning of services to our state agencies and customers, and certain information may be transmitted via the Internet. There is no guarantee that our systems and processes are adequate to protect against all security breaches. If our systems are disrupted or fail for any reason, or if our systems are infiltrated by unauthorized persons, our state agencies and customers could experience data loss, financial loss, harm to reputation, or significant business interruption. Such events may expose us to unexpected liability, litigation, state audits, regulation investigation and penalties, loss of business, unfavorable impact to business reputation, and there could be a material adverse effect on our business and results of operations.

Our services may be adversely impacted by changes in government regulations and policies: Many of our services, particularly payroll and payroll tax administration services, employee benefit services, disbursement services, internal control services, and legal and internal control compliance services are designed according to government regulations that continue to change. Changes in regulations could affect the extent and type of services required to be performed. Such changes could reduce or eliminate the need for some of our services or substantially increase our services and may substantially increase or decrease our revenues or resource requirements. Failure by us to modify our services in a timely fashion in response to contractual, regulatory, or legal changes could have a material adverse effect on our business and results of operations.

We may be adversely impacted by any failure of third-party service providers to perform their functions: As part of providing services to state agencies and other customers, we rely on a number of internal and external third-party service providers. These providers include, but are not limited to, couriers used to deliver state payroll checks and vendor warrants, banks and internal treasury operations used to electronically transfer funds, agency employees in establishing and maintaining payroll and accounting processes, and various providers hosting and supplying administrative support, computer systems, networks, telecommunications, and other required and contracted services. Failure by these providers, for any reason, to deliver their services in a timely and cost effective manner could

result in material interruptions to our operations, impact agency/customer relations, and result in significant penalties or liabilities to us.

In the event of a catastrophe our business continuity plan may fail, which could result in the loss of agency and customer data and adversely interrupt operations: Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe or natural disaster, unauthorized security breach, power loss, telecommunications failure, terrorist attack, or other events that could have a significant disruptive effect on our operations. We have a business continuity plan in place in the event of system failure due to any of these events. If the business continuity plan by us or our third party service providers is unsuccessful in a disaster recovery scenario, we could potentially lose customer data or experience material adverse interruptions to our operations or delivery of services to our customers.

Our strategic investments in core state enterprise applications of accounting, payroll, datamart, and financial reporting may be insufficient or at risk due to failure to properly maintain, replace timely, or to stay current with changing external technologies and other standards. Much of the financial information data for the state is processed directly or indirectly by our core statewide financial systems. These systems hold historical and current data intricately linked to statewide legal, policy, internal controls, and other administrative systems that support much of the back-office infrastructure of state government. Failure to adequately maintain, improve, or enhance to meet current and future operational, accounting standards, legal, technological change, contractual needs; and other productivity opportunities could result in the gradual erosion of capacity and capabilities and increase the state's exposure to poor performance, long term liabilities, and crisis interventions.

The execution of State Controller Division operations may partially fail due to state hiring and compensation practices, improper planning, poor identification and use of performance measurements, insufficient discipline in management and supervision of the workforce, incomplete project and contract management; and insufficient rigor in the design, use, testing, and vetting of internal or external business cases and change management affecting current and future operations and Division investments. Limited resources and externally controlled policies require management to make reasonable judgments in the allocation and management of both short and long-term resources. Although risk is always a material concern, such tradeoffs and decisions may result in less than desired optimal performance. Sub-optimization risk could result in waste, poorly controlled and performing business processes, rework, poor decision making, lack of planned ROI, and negative affects in meeting customer service objectives.

We are exposed to various types of fraud. Fraud could occur within the Division by Division employees or perpetrated by clients and customers who have direct or indirect access to our systems. As a corporate function, we have a high concentration of senior staff with extensive experience, knowledge, and skills of state systems, processes, and procedures. Although cost effective internal controls are in place, there is not a 100% guarantee that these controls and systems could not be compromised by Division staff or by state employees, contractors or other known or unknown parties. Under such compromise, the state could be subject to insured financial losses, unrecoverable financial losses, impairments to operations, additional costs, and impairment of reputation.

Our Criteria for Establishing Mission Priorities 2008

Regulatory Environment

- State & Federal Law
 - State Accounting, Budget, Payroll, PERS, Collective Bargaining, and Labor Statutes
 - Payroll Withholding & Employee Payments
 - Payroll Reporting (W2, Quarterly Fed/State)
 - Cost Allocation – OMB Req.
 - Single Audit Act – OMB Req.
 - Fed Financial Data/Reports
- National Accounting Standards
 - Policies, Methods, Processes, Procedures, and Systems (Compliance)
 - State Financial Statements and Disclosure

Contractual Obligations

- Contractual Payments (Vendor Payments.)
- Labor Agreements (Payroll)
- Bond Covenants (Financial Reporting)
- Federal Agreements (OMB Settlements)
- Private Collection Contracts (Accounts Receivable Mgt. & Collection)
- Bank Contracts (Credit Cards Rules; Direct Deposit Rules)
- Inter-agency Agreements (including SCS)

Data Integrity and Reliability

- Mandatory System Change in Systems (Actg. Rules; state audit recommendations; ongoing maintenance)
- Accounting & Payroll System Controls (new system edits, audit recommendations)
- Accounts Receivable/E-Commerce Controls (system interfaces; reconciliations; research anomalies)
- SCD Reconciliation and Verification (daily monitoring, report reconciliation)
- SCD/Statewide Security Access Controls (access authorization and monitoring)

General Management and Services

- Help Desk and User Support
- Agency Training
- General Office Support-filing, ordering, personnel, web, performance reporting, etc.
- Policy R&D (Best Practices; GASB, etc.)

Risk and Efficiency and Effectiveness Management

- Internal Control Management
- Discretionary Changes in Accounting & Payroll Systems
- Financial Accounting and Control Support to E-Commerce
- Discretionary Non-System Changes (processes, methods, procedures)
- On-site Agency Reviews & Requests for Assistance
- Training

How We Manage, Report, and Control the Cost of the State Controller's Division

Reliable information on the costs of SCD and its activities is crucial for effective management, oversight, and transparency of our operations.

The management cost accounting concepts and standards implemented in our Division are aimed at providing reliable and timely information on the full cost of SCD programs. This cost information can be used by the Legislature, state management, customers, stakeholders, and employees in making decisions about allocating resources, authorizing and modifying programs, and evaluating program performance. The cost information contained in our budget and actual reports is used by SCD program line of business managers in making managerial decisions to improve operating economy and efficiency.

We accumulate and report the costs of our programs on a regular basis for management information purposes. We have established responsibility segments by program to match costs with services, outcomes, and performance measures. We use methods to determine the full cost of SCD services by using appropriate costing methodologies to assign costs to specific programs and services.

Services produced by the SCD line of business (responsibility center) is the sum of the costs of resources consumed by the SCD Section that directly contribute to the output, outcomes and performance measures of that section and the costs of identifiable support services provided by other responsibility centers or units within state government.

SCD has identified specific line items of cost and the key associated controls the Division uses to maintain spend discipline and internal cost control management. See the following link for additional information.

http://www.oregon.gov/DAS/SCD/docs/SCD_Cost_Management.pdf

How We Manage Business Continuity

SCD has prepared a documented business continuity plan to mitigate the effects of a disruption to normal business operations. SCD is committed to maintain and enhance these internal documented policies and procedures over time.

Emergency Contact Persons

Our SCD three emergency contact persons are:

John J. Radford, State Controller, john.j.radford@state.or.us, 503-348-3156 x226;
Deputy State Controller, Joy Sebastian, joy.sebastian@state.or.us, 503-378-3156; and
Jon Dufrene, Manager of our Statewide Financial Services section, jon.dufrene@state.or.us, 503-378-3156.

In addition, our Business Continuity Plan Executive Representative is Gerold Floyd, Statewide Accounts Receivable Manager, gerold.j.floyd@state.or.us, 503-378-3156. These names will be updated in the event of a material change, and our Executive Representative will review them within 14 business days of the end of each quarter.

BCP Policy

Our policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and state property, making a financial and operational assessment, quickly recovering and resuming operations, activate an appropriate incident response, initiating communications, protecting all of the state's books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their records, funds and SCD services.

Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our operational ability to communicate and do business, such as a fire or electrical/water damage in our building. External SBDs prevent the operation of normal business operations or disrupt other state operations such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of the state Data Center, state Printing, and state Treasurer's Office.

Approval and Execution Authority

John J. Radford, State Controller, is responsible for approving the SCD plan and Gerold Floyd is responsible for maintaining the plan and conducting an annual review. John J. Radford has the authority to execute this BCP. In Mr. Radford's absence, any SCD Manager has the authority to activate the SCD Business Continuity Plan.

Plan Location and Access

Our Division maintains copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is not available on our Internet for obvious security reasons. The file is located on our internal secure server and available to all SCD employees. Paper copies are routinely distributed to SCD Managers.

Business Description

Our operations include the provision of accounting, payroll, and financial reporting in data management, systems management, internal and external reporting, internal control management, e-commerce support, statewide accounts receivable management, and other related services. These operations are corporate in nature providing core enterprise systems, controls and policies affecting Oregon state government financial operations. We do not hold customer funds or securities. We accept and enter accounting and payroll transactions only. All cash and cash equivalents are sent to state Treasury approved banks that interface with national settlement operations. Our accounting and payroll systems maintain both employee and customer identification data.

Our banking and settlement operation resides within the Oregon State Treasury (OST). Our primary OST contact is Darren Bond, Darren.Q.Bond@state.or.us. The alternative contact at the Oregon State Treasury is Sharon.Prentice@state.or.us.

Office Location

Our Office is located at 155 Cottage Street, Salem, Oregon 97301. Its main telephone number is 503-378-3156. Our employees and state customers may travel to that office by means of foot, car, shuttle, or bus.

Alternative Physical Location(s) of Employees

In the event of an SBD, we will move (with DAS Facilities) our staff from affected offices to the closest of our unaffected state office locations within the Department of Administrative Services or move them

to negotiated space in other buildings owned or rented by state agencies. If none of our other office locations is available to receive those staff, we will move them to other state facilities owned by the Department of Administrative Services or other buildings owned or rented by state agencies located in the Portland, Oregon or Eugene, Oregon areas. If state owned or state rented space is not available, we will negotiate space for our employees at any reasonably available commercial space.

Customers' Access to Funds, Accounting, and Payroll Systems

Our business does **not** maintain custody of customers' funds or securities, which are maintained at the Oregon State Treasury. In the event of an internal or external SBD, if telephone service is available, our employees will take customer instructions and contact our state Treasurers Office on their behalf, and if our Web access is available, our Division will post procedures on our Web site explaining how state agencies and customers may access their funds and securities by contacting the Oregon State Treasury.

In the event of an internal or external SBD significantly affecting customer access to accounting, payroll, and other customer systems and data, if telephone service is available, our employees will provide appropriate telephone messages providing operational assessment information, system status information, security information, and instructions on when and how to access SCD systems. If Web access is available, our Division will post on our Web site operational assessment information, system status information, security information, and instructions on when and how to access SCD systems.

Data Back-Up and Recovery (Hard Copy and Electronic)

Our Division maintains its hard copy books and records at 155 Cottage Street NE, Salem, Oregon 97301. We maintain our electronic records at 155 Cottage Street NE, Salem, Oregon 97301. John J. Radford, State Controller, 503-378-3156 is responsible for the maintenance of these books and records. Our Division maintains the following primary document types and forms in MS Word, MS Excel, MS Outlook, MS Access, and Adobe Acrobat.

Our Division maintains its historical hard copy books and records at the Division of Archives located at 800 Summer St. NE, Salem, OR 97310, 503-373-0701. These records are paper copies and microfiche. The Administrator of the Division of Archives is responsible for the maintenance of these back-up books and records. Our Division follows Oregon state statutes in meeting all records and retention laws and policies.

Our Division backs up its electronic records daily. This is performed daily by the DAS Operations Division's local area network back-up utility and keeps a copy at the state Data Center located at 530 Airport Road SE Salem, OR 97301.

In the event of an internal or external SBD that causes the loss of our current paper records and which no electronic version exists, we will be unable to recover these physical records but may be able to recreate them. Historical physical records can be recovered at the Division of Archives. If available in electronic media, we will physically recover them from our back-up site. If our primary site is inoperable, we will continue operations from our back-up site or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our primary site (State Data Center), or, if our primary site is inoperable, continue electronic data recovery from our back-up site or an alternate location as instructed by the State Data Center.

Financial and Operational Assessments

Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical treasury/banking operations, critical

business partners, and federal authorities. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include telephone, telephone voice mail, fax, our web site, e-mail, secure e-mail, wireless phone/data networks, and radio communications. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Financial Operational Risk

In the event of an SBD, we will determine the value and availability of our human resources and other assets to evaluate our ability to continue to maintain operations and services. We will contact State Treasury, critical banks, employees, state agencies, and other stakeholders to apprise them of our operational status. If we determine that we may be unable to meet our current service obligations to those named above, we will request such resources as needed to fulfill our obligations to our critical business partners, customers, employees, and stakeholders. If we cannot remedy an immediate situation, we will file appropriate notices with our oversight authorities and take appropriate steps to preserve and safeguard lives and loss of state assets.

Mission Critical Systems

Our line of business “mission critical systems” are those that ensure prompt and accurate processing of accounting and payroll transactions, including revenue, disbursements, purchasing, payroll, journal entries, maintenance of agency records, system execution, cost allocation, and treasury interface settlements and reconciliations. More specifically, these systems include Statewide Financial Management System, Oregon Statewide Payroll System, SCD Data Mart, and Statewide Financial Reporting systems.

We have primary responsibility for establishing and maintaining our business relationships with our critical business partners, customers and stakeholders and have sole responsibility for our mission critical functions of accounting, payroll, and financial reporting. Our Division provides, under state law, the execution of core statewide accounting, payroll, and financial reporting services to the state agencies, corporate oversight bodies, and employees of state government.

Our State Treasurer’s Office and associated banking contracts provide that they will maintain a business continuity plan and the capacity to execute that plan. Our State Treasurer’s Office and associated banking contracts will advise us of any material changes to its plan that might affect our ability to maintain our business. In the event our State Treasurer’s Office and associated banking contracts executes its plan, it represents that it will notify us of such execution and will provide us equal access to services as its other customers. If we reasonably determine that our State Treasurer and its associated banking contractual firm(s) has not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our State Treasurer’s Office will assist us in seeking services from an alternative OST approved source.

Our State Treasurer represents that it backs up our records at a remote site. Our State Treasurer’s Office represents that it operates a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our State Treasurer’s Office has also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of accounting and payroll activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions, make vendor and payroll payments, and execute reports after a wide-scale disruption. Our State Treasurer’s Office and associated bank contracts have the following

SBD recovery time and resumption objectives: recovery time period of within 12-24 hours and resumption time of 24-48 hours.

Our Mission Critical Systems

Accounting System

Currently, our Division receives accounting service requests and accounting transactions from customers via the state's telecommunications broadband data network. Some interaction occurs via telephone, email, fax, and in person visits by the customer. During an SBD, either internal or external, we will continue to take transactions and service requests through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their service requests and transactions to us. Customers will be informed of alternatives by system communications, telephone, fax, email, wireless communications, and radio as appropriate.

Currently, accounting transactions pass through the accounting system and are electronically transmitted to the banking systems maintained by the Oregon State Treasurer's Office. We have contacted the Oregon State Treasurer's Office and have received assurances as to the operational status of their BCP plan. We believe we reasonable expect banking services within 24 to 48 hours of a significant SBD.

Approximately 5% of vendor payments are transmitted electronically by vendors who have registered with the SCD's electronic payment accounting system. The remainder vendors are paid via a paper warrant. There are no contingency plans to prepare manual warrants or record manual paper-based accounting events. (Emergency distribution of funds will be available to customers via the Oregon State Treasury.)

Payroll System

Currently, our Division receives payroll service requests and accounting transactions from customers via the state's telecommunications broadband data network. Some interaction occurs via telephone, email, fax, and in person visits by the customer. During an SBD, either internal or external, we will continue to take transactions and service requests through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers when communications become available to tell them what alternatives they have to send their service requests and transactions to us. Customers will be informed of alternatives by system communications, telephone, fax, email, wireless communications, and radio as appropriate.

Currently, payroll transactions pass through the accounting system and are electronically transmitted to the banking systems maintained by the Oregon State Treasurer's Office. We have contacted the Oregon State Treasurer's Office and we have been told that, under its BCP plan, we can expect banking services within 24 hours of a SBD.

Approximately 85% of employee payments are transmitted electronically by vendors who have registered with the SCD's electronic payroll payment system. The remainder employees are paid via a paper check. In the event of an extensive SBD preventing SCD from meeting planned payroll distribution dates, contingency plans exist to repeat a previous payroll cycle electronically meeting payroll for the 85% on the SCD electronic payroll system. Paper checks will be printed and distributed as time and resources permit.

State Controller's Datamart

Our Division maintains an internet accessible data repository of critical accounting and payroll data supporting customer query and management reporting needs. The information is updated weekly and monthly. Customer interaction occurs via the internet over all available internet telecommunication protocols. During an SBD, either internal or external, we will continue to make the Datamart available

as communications permit. We will inform our customers when Datamart resources and communications become available. Customers will be informed of alternatives by system communications, telephone, fax, email, wireless communications, and radio as appropriate.

Other Services Currently Provided to Customers

In addition to those services listed above we also provide ongoing accounting, payroll, and budget services to approximately 25 small state agencies, we provide internal control services, external financial reporting services, statewide e-commerce fiscal support, accounts receivable coordination, and other services. In the event of an internal or external SBD, we would, as communications permit, inform our customers of the alternatives they have to initiate service requests and access State Controller Division resources. Customers will be informed of alternative service delivery by system communications, telephone, fax, email, wireless communications, and radio as appropriate.

Other Mission Critical Systems Relied Upon

Our Division relies on other DAS Divisions to provide critical human resource and purchasing system interface data, printing and distribution services, networking and desktop support services, and other general back-end office support. Customers will be informed of any internal assessments and status affecting State Controller Division operations by using system communications, telephone, fax, email, wireless communications, and radio as appropriate.

Alternate Communications between Customers, Employees, Stakeholders and Oversight Authorities

Customers

We now communicate with our customers using the state's broadband WAN, telephone, e-mail, our web site, fax, U.S. mail, and in person visits at our office location. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Employees

We now communicate with our employees using the state's broadband WAN, the telephone, e-mail, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home and office phone numbers. We have identified persons who live near each other and may reach each other in person.

The person(s) to invoke use of the call tree is John J. Radford, State Controller, Deputy State Controller Joy Sebastian, and Jon Dufrene, Manager of our Statewide Fiscal Services Section. Our Division has identified all internal call tree participants with associated responsibilities necessary to implement our BCP plan.

Stakeholders and Oversight Authorities

We routinely communicate with our stakeholders and oversight authorities using the telephone, e-mail, fax, U.S. mail, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party.

Critical Business Constituents, Banks, and Oversight Authorities

Business Constituents

We have considered our critical internal and external business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as internal/external vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of an internal or external SBD. They have provided assurances (based on vendor BCP plans) to us to respond as appropriate or have entered into third party arrangements if they can no longer provide the needed goods or services when we need them because of an SBD to them or our business operations. They have identified or have contracts in place with the appropriate suppliers in the event of an SBD.

Treasury/Banking Services

We have contacted the Oregon State Treasurer's Office and determined that our banks and lenders can continue to provide financing that we may need in light of an internal or external SBD. The appropriate bank information maintaining our operating account is maintained by the Oregon State Treasurer's Office located as described above.

State Print Plant

We have contacted the Oregon Print Plant and determined that the Print Plant has a contract in place to service our printing needs in the Portland area if an SBD has impacted the Print Plant's ability to meet the operational needs of SCD. Our principle contact at the State Print Plant is Phyllis Michael, Publishing and Distribution Manager, Phyllis.Michael@das.state.or.us, 503-373-1753

State Data Center

Our principle contact at the State Data Center is Mark Reyer, Administrator, Mark.Reyer@das.state.or.us, 503-378-2176

Technical Services Center, DAS Operations

For desktop, local area network, laptop, printer, fax, copier, phone, telecommunication connectivity and associated security services, our Division relies on the Technical Services Center located and managed by the DAS Operations Division. The DAS Operations Technical Services Center would be responsible for establishing our technical infrastructure in the event of an SBD. Our principle contact at the DAS Operations Technical Services Center is Debra Fery, Debra.E.Fery@state.or.us.

Oversight and Regulatory Reporting

Our Division is subject to regulation by a wide range of federal government statutory and contractual obligations. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the federal government and other regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or oral) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us.

Disclosure of Business Continuity Plan

We provide in electronic form notice of our BCP to our customers, stakeholders, and oversight authorities via our Web site. We disclose the existence of our BCP plan and general management of BCP via this document, but do not share the details of our BCP for obvious security concerns.

Updates and Annual Review

Our Division regularly updates our detailed BCP plan whenever we have a material change to our operations, structure, business or location or to those of our critical business partners. In addition, our Division reviews our written BCP annually to modify it for any changes in our operations, structure, business, or location or those of our critical business partners.

How We Use Business Case Methods to Manage Discretionary Investments in Change and Shared Systems

SCD uses a disciplined approach through the use and application of Business Case methods when prioritizing and allocating limited internal and other SCD supported state resources. A Business Case approach is a decision support, planning, and accountability tool that project the likely financial, operational, risks, and other business consequences of alternative choices and final business decisions in spending state resources.

Regular occurring, mandatory, and routine business process, system, and policy initiatives including changes in statewide policy, SCD processes, investments in minor system enhancements, system maintenance, or SCD procedure improvements do not require the use of formal Business Case documentation. All other non-routine/discretionary and significant changes or investments in State Controller systems, organization, processes, policies, and procedures consuming state resources require formal Business Case documentation.

As a rule of thumb, investment of state resources exceeding \$50,000 from any source requires some form of a documented formal Business Case analysis before proceeding. Sources of funds include appropriated State Controller funds, costs and funds contributed from DAS, and contributed in-kind services from state agencies or outside entities. Because of the importance of public fiduciary responsibilities associated with planning, decisions, and the management of business risk, each SCD Business Case is signed by the appropriate SCD Manager responsible for its content, analysis, conclusion, and recommendations including all written estimates of cost and statements of benefits. Each SCD Business Case is reviewed and approved by signature of the State Controller further assigning senior Executive level responsibility and accountability.

As mentioned previously, the SCD has adopted a full costing approach when documenting estimates of cost. A full cost approach requires the identification of full and complete organizational costs including both internal (SCD costs) and external costs which include any projected costs of state agencies, DAS, and other SCD business partners. Full and complete cost estimates also include assigned overhead, project planning, direct project costs, project administration, control, and reporting costs; legal costs, auditing costs, purchasing costs, communications and public relations costs, post project and closing costs, and anticipated operational costs (or cost impacts) for the entire expected life cycle of the project. Soft costs include anticipated downtime, unproductive time, delivery delays, the costs of employee and political turnover, the use of vacation, sick leave, and family medical leave, holidays, and interruptions due to natural disasters. These costs include labor, employee benefits, direct and/or indirect overhead, materials, supplies, personal service contracts, equipment, maintenance, depreciation and amortization, and other potential costs and charges material to the business case.

Once approved, the SCD Business Case serves as the basis of measuring and reporting periodic or final performance and accountability. Project and cost accounting is established for all direct and indirect costs (where feasible and material) outlined in the Business Case and reported on a regular and recurring basis or at the end of a project documenting the comparison of actual to estimated costs. Appropriate performance measures are established and reported comparing actual benefits achieved to

those benefits outlined in the Business Case. Timelines are established, documented, and reported comparing expected timelines outlined in the Business Case to actual timelines achieved during project execution. Post implementation assessments of costs and benefits achieved are conducted by the DAS Internal Audit Section at their discretion or may be requested by the State Controller.

It is recognized that a Business Case, depending on the size, scope, and complexity of the SCD project may not be static. It is anticipated and expected that regular revisions to the business case may be made as new information is brought forward from additional analysis and approved processes. For example, an RFI could be conducted which may bring forth additional information that may alter the Business Case model. External environmental changes may occur which may change the underlying economic assumptions. Such changes are normal and should occur when the Business Case is more dynamic.

SCD uses a general outline substantially conforming to “The Business Case Guide” published by Marty Schmidt of Solution Matrix Ltd. SCD Managers use the guideline and any modifications necessary unique to business circumstances. Each SCD Manager has access to a copy of the guide. The following describes what we believe to be the minimum management issues to be addressed in a quality business case proposing to spend or invest public resources.

Introduction

The introduction provides for a description of the business case subject matter describing the business need, business situation, and motivation. The essential elements describe business objectives, opportunities, business threats, problems, limitations, and constraints that are being proposed by spending customer funds. Linkage to the SCD Business Plan and/or direction from the Governor or links to federal or state legislative laws or approved financial plans would be discussed here. In addition, linkage from specified customer or stakeholder groups (surveys, signed statements of support) along with anticipated financing authorizations would be described here.

Methods and Assumptions

This section documents the decision criteria and financial metrics and provides definitions around project scope and boundaries. Major assumptions are provided addressing dependencies, contingencies, the quality of data, inflation expectations, cultural considerations, and other conditions affecting business case decisions and anticipated outcomes. Costing methodologies as well as a description of the benefit model and rationale are discussed. The identification and description of options and scenarios under consideration are presented and discussed. Options considered and discarded are identified and discussed.

Business Impacts

Financial and operational projections for each rationalized go-forward option or scenario are presented in this section. The development of financial and operational metrics is described including life-cycle cash flow projections (associated with a projected timeline) and life-cycle benefits with a customer-specific expectation timeline. The rationale for including or excluding important financial or operational impacts is discussed and presented. (Life-cycle cost estimates and benefits include project inception, initiation, acquisition, development, implementation, maintenance, and operations.)

Sensitivity, Risks, and Contingencies

This section describes unique management and business related sensitivities, risks, and contingencies for each scenario or option. Important assumptions, factors, and principle elements are highlighted that may have a material effect and need to be watched, managed, and controlled are identified. A management discussion and analysis addressing project risks, reputational risks, probable outcomes,

likelihood of success, the identification of unknown or unanticipated consequences, and material factors beyond the control of management should be presented.

Conclusions and Recommendations

An identification and discussion of the overall strengths and weaknesses of each scenario or option is presented. A presentation of the important points of rationale linking the results presented in the business case back to the important elements of information and data presented in the Introduction, Methods and Assumptions, Business Impacts, and Sensitivity, Risks, and Contingencies sections. Included in this section is a listing of the underlying management reasons and business justification for recommending a go-forward plan of action. Justification should address all financial, political, operational, legal, risk, and customer service issues being addressed.

Key Success Factors and Performance Measurements

This section presents the identification and discussion of timelines, critical success factors, availability of resource requirements, management leadership, internal controls, and specific results necessary to be in place for the project (scenario/option identified) to be considered a success. In addition, this section identifies the key performance measurements, quality assurance, and associated documentation and reporting necessary to establish and report accountability. It is the identification and discussion of strategy and tactics to be employed that focus management and employee attention on project impacts and outcomes that best lead the project to a successful conclusion.

Financing Plan

This section includes the identification of the specific sources of funds proposed to finance all projected and anticipated costs. The Business Case should address sources as to SCD funding sources, DAS sources, in-kind service sources, contribution sources, and the sources and use of debt financing and related plan for servicing the debt. The identification of timing issues, cross-biennial issues, risks and uncertainties associated with the financing plan should be identified and discussed.

Project and Investment Criteria

SCD uses the following criteria in making decisions in the allocation and spending of limited customer resources. Criteria is applied on a case-by-case basis and is general guidance to be “taken as a whole” in evaluating competing priorities. These criteria are presented in a generalized priority order.

General Criteria:

1. Reputational and Credibility Risks
2. Scope Definition and Control Risks
3. Legal and Contractual Risks
4. Security and Safety Risks
5. Cost Shifting and Cost Recovery Risks
6. Long Term Efficiency & Effectiveness Risks
 - a. Economy of Scale – Widespread Customer Impacts
 - b. Specific Economy – Narrow Impacts
7. Short Term Efficiency & Effectiveness Risks
8. Internal (Corporate) vs. External (Agency) Requirements/Benefit Risks

Specific Criteria:

1. Customer Willingness to Finance Need/Desire
 - a. Availability of Customer Funds and Support
 - b. Product/System Functionality – High, Medium, Low

- c. Intended Fit, Use, and Purpose
 - d. Service Enhancements Worth Level of Effort
2. Environment and Culture
 - a. Planned or Unplanned (Avoid Crisis Mgt.)
 - b. Leadership Availability and Quality
 - c. Project Complexity and Experience
 - d. Political Will/Risk Considerations
 - e. Front Page Test
 - f. Interagency Linkages –System and Programmatic
 - g. Human Change/Learning Capacities
 - h. Legal and Contractual Constraints
 - i. Changing Economics and Financing Risks
 3. Predictability and Credibility
 - a. Project Risk/Mitigation Strategies
 - b. Customer Expectations – Quality and Completeness
 - c. Budget Impacts and Control Requirements
 - d. Cost Estimates – Full and Complete
 - e. Project Timelines
 4. Productivity
 - a. Employee Competencies, both Central and Agency Based
 - b. Organizational and Employee Resistance
 - c. Training including Initial, Ongoing – Ability to Deliver
 - d. Performance Measure Impacts
 5. Profitability
 - a. Cash Flow ROI
 - b. Profit/Loss and Other Economics ROI

Business Case Due Diligence

State Controller Division employees involved in the preparation of State Controller Business Cases are required to exercise professional *due diligence* in accordance with State Controller Division Business Case processes, procedures, and policies.

Resources in the private sector are allocated based on specific business measurements such as return-on-investment ratios, earnings per share, net income, and cash flows. Resources in the public sector are often allocated on perception, groupthink, and relationships. It is important to bring disciplined, documented, and accountable business methodologies to bear on the processes used to allocate public resources.

Due diligence in the preparation of Business Cases in the State Controller's Division is a standard also known as due professional care. It is the effort made by an ordinary prudent person to avoid financial harm to the citizens of Oregon. Failure to make this effort may be considered negligence as defined in Oregon state statutes and in Oregon case law. The obligation is to meet a standard of behavior that explicitly benefits Oregon citizens.

Professional care standards require State Controller Division employees to take every reasonable precaution to ensure that Business Case processes and policies are followed. This requires that cost

and revenue estimates, facts, data, analysis, predicted outcomes, stated deliverables, and business case recommendations presented in the Business Case be factually based to the practical extent possible. Including adequately evidenced by supporting documentation, independent and free from personal bias, appropriately vetted, and reviewed and signed (attestation standards) by those in the chain of decision making authority up to and including the State Controller.

Business Case Vetting

SCD requires that Business Cases proposing spending or investing state resources undergo a formal vetting process. Depending on scope and cost, the vetting process could be limited to one or two participants or could be more extensive involving many more project participants. At minimum, the Business Case should be vetted by appropriate colleagues and constituents who would be impacted by cost, benefits, or project participation. In some cases, the Business Case could be vetted additionally by impartial third-party outsiders.

The vetting process is formal, documented, and signed by the person vetting the Business Case. The purpose of vetting the Business Case is to evaluate the soundness, completeness, and strength of the Business Case. It provides and documents an outsider's evaluation, analysis and recommendation of the Business Case itself.

At minimum, the vetting process addresses the following:

1. Has the case writer made the subject, purpose and scope, up front and clear?
2. Are cost estimates, benefits, and cash flow projections complete, well organized, and presented along a timeline? Is there adequate motivation and customer agreement?
3. Does the Business Case present the assumptions, conditions, risks, and methods for identifying estimated costs and projected benefits?
4. Does the Business Case include all important benefits and costs, including those that are non-financial? Is there adequate support and justification?
5. Does the Business Case adequately identify and discuss critical success factors and performance measurements? Is it clear who accepts accountability for success of the project in terms of costs incurred and benefits achieved?
6. Does the Business Case adequately identify and measure all risks associated with project inception, acquisition, implementation, post implementation evaluation, and quality control?

Our Commitment to Security and Confidentiality

All employees of the State Controller's Division remain acutely aware of the need to safeguard our customer's data and information assets. These resources have been entrusted to our care. We have professional and legal responsibilities to execute standards of conduct that prevent unauthorized access, control, display, or use of these assets.

Our data and information assets include both public and private personal employee identification and other related financial data in our payroll system. Our accounting systems contain both public and private vendor identification information along with related and significant data on state financial resources. We provide statewide policies and procedures that often describe and require internal controls that address the security and confidentiality of financial transactions, the interface of inbound and outbound data files into or out of our systems, and the production and distribution of data and information assets produced by the systems under our care.

Our standards of professional care are guided by the following:

Control Objectives for Information and Related Technologies – COBIT – Industry

COBIT is an IT governance framework and supporting toolset that allows managers to bridge the gap between control requirements, technical issues and business risks. COBIT enables clear policy development and good practice for IT control throughout organizations. COBIT emphasizes regulatory compliance, helps organizations to increase the value attained from IT, enables alignment and simplifies implementation of the COBIT framework.

Privacy Act of 1974 – Federal

"Any organization creating, maintaining, using or disseminating records of identifiable personal data must assure the reliability of the data for their intended use and must take reasonable precautions to prevent misuse of the data." Under the Act, agencies are required to ensure that information is accurate, relevant, timely, and complete and that appropriate administrative, technical, and physical safeguards exist to ensure the security and confidentiality of that information.

Computer Matching and Privacy Protection Act – Federal

The Computer Matching and Privacy Protection Act of 1988, P.L. 100–503, amended the Privacy Act of 1974 by adding certain protections for the subjects of Privacy Act records whose records are used in automated matching programs.

Internal Revenue Code – Federal

The Internal Revenue Code (IRC) and more formally known as the Internal Revenue Code of 1986, as amended, is the main body of domestic statutory tax law of the United States organized topically, including laws covering the income tax, payroll tax, gift taxes, estate taxes and statutory excise taxes. The Internal Revenue Code is published as title 26 of the United States Code (USC), and is also known as the internal revenue title.

Payment Card Industry Standards (PCI) – Industry

The PCI data security standard is a multifaceted security standard that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures.

Oregon Consumer Identity Theft Protection Act – State of Oregon

The Oregon Consumer Identify Theft Protection Act contains strong standards for safeguarding personal information, requires notification to consumers if there is a breach of security that may result in a disclosure of information, and gives consumers the right to request a security freeze of their credit file to provide some protection against an identity thief obtaining credit in their name. The law applies to all entities that handle personal information, whether they are in the public or private sector.

Health Insurance Portability and Accountability Act of 1996 – Federal

Title II of HIPAA, the Administrative Simplification (AS) provisions, requires the establishment of national standards for electronic health care transactions and national identifiers for providers, health insurance plans, and employers. The Administrative Simplification provisions also address the security and privacy of health data. The standards are meant to improve the efficiency and effectiveness of the nation's health care system by encouraging the widespread use of electronic data interchange in the US health care system.

Enterprise Information Security Policies – State of Oregon

These policies represent a baseline minimum necessary level of security that agencies must conform to. They set the direction and define requirements for information security-related processes and actions for all state agencies. They establish minimum requirements to maintain a secure environment and achieve state government security objectives.

In addition to the eight core standards defined above, the State Controller's Division also produces specific security access policies, procedures, and controls for each of our core enterprise financial management systems. These include an R*Stars Security Manual for the statewide accounting system, an ADPICS Security Manual for the related purchasing system functionality and a Security Chapter contained in the Oregon State Payroll Manual. These documents are used by state agencies and authorized employees and are not available on our web site and are not available to the public for obvious security reasons.

The State Controller's Division maintains physical security based on Facilities Division physical security building access protocols including electronic monitoring, assigned building entrance monitors, 24x7 locked rooms, 24x7 locked filing cabinets and desk drawers, confidential and sensitive materials shredding/destruction equipment and contracts, and other internal policies and procedures designed to safeguard negotiable instruments, protect confidential and sensitive information, and safeguard identify information.

Administration

**2008–2009
Business Plan**

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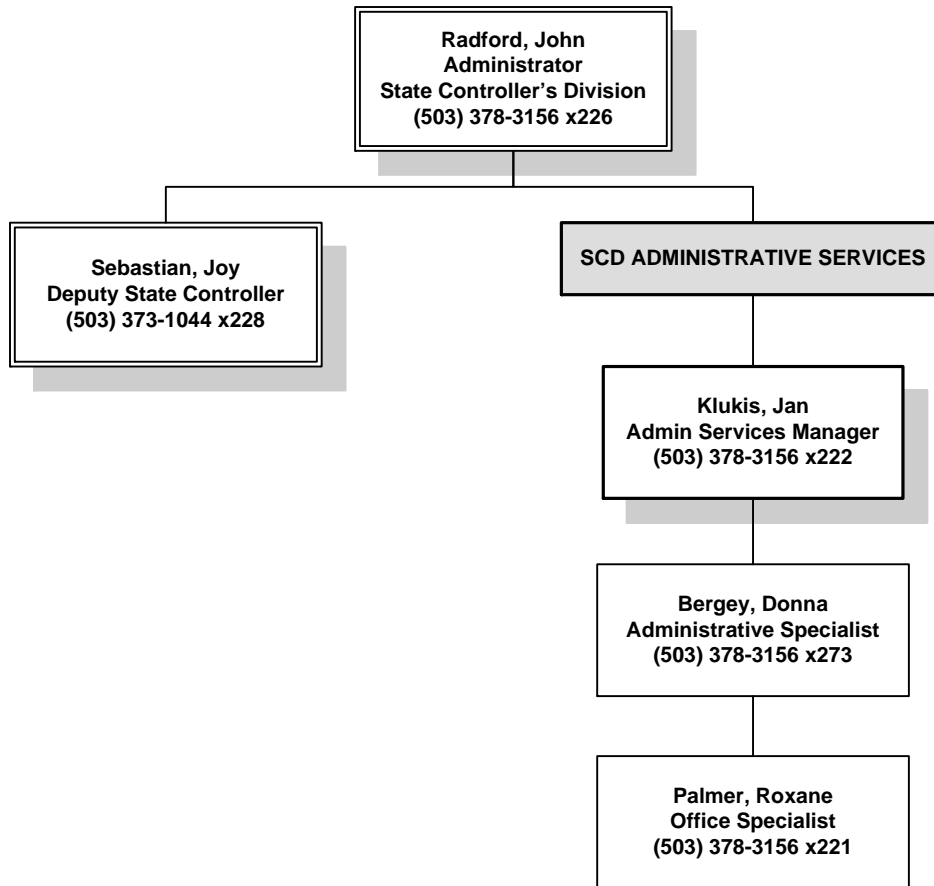
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Mission

SCD Administration provides Division leadership, management accountability, accuracy, and program coordination within the division. The section works to ensure that Division processes and controls are in place to support the successful operation of the Division programs. This supports the DAS mission: *Leading the pursuit of excellence in state government.*

Organization and Purpose

Administration is one of six sections within the State Controller's Division. This section includes five positions: Administrator, Deputy State Controller, an Admin Services Manager, and two administrative support positions. The Deputy State Controller currently provides 25% contribution to the Administration section for budgetary oversight.



The primary purpose of this Section is to ensure appropriate Division leadership, management, accuracy, accountability, and control. The section works to ensure that Division processes and controls are in place to support the successful operation of the Division and its programs. The Administrator takes a leadership role in resolving statewide issues or initiatives affecting the primary purpose of the Division and/or Agency goals and directives.

Responsibilities

Administration Management: The State Controller is the division administrator. In his absence, the Deputy State Controller is responsible. The Admin Services manager coordinates the administrative support functions of the Division and coordinates division-wide projects as well as acts as the executive assistant to the state controller.

Division Operations: The state controller is responsible for developing and implementing statewide and internal policies and Division operations. The deputy state controller coordinates Division planning efforts for budget preparation and internal budget execution.

Division Support Services: Support staff provides daily administrative support to the Division. On a daily basis, they provide services and coordination in such areas as accounts payable, mail services, phone and reception services, report distribution, copying, scanning, faxing, scheduling of meetings and equipment use, process employee training requests, and provide web site maintenance. In addition, they provide database and spreadsheet development and maintenance; advanced document preparation, proofing and report finalization; ergonomic assessments and adjustments; purchasing of new furniture and equipment; they maintain office equipment and supplies; and oversee division records maintenance. They also assist managers with recruitments, new employee setups, departing employee removals, and arrange for travel and training for the Division.

Section Management: The Admin Services Manager functions to maintain consistency and compliance with State rules, DAS and division policies, and procedures related to office operations. The manager develops and implements objectives, general office procedures, and performance measures for administrative support functions. This position oversees division accounts payables, the processing of travel and training requests, purchase orders, contracts and agreements, office equipment maintenance, travel requests; and office moves.

This position trains and supervises the support staff, promoting a team environment through bi-weekly project meetings and daily communications monitoring schedules and internal procedures for reliable office support and functions. The manager provides executive level management support to the management team, is the division liaison for personnel, and monitors division payroll support activities. As division personnel coordinator, this position monitors employee performance evaluations to be sure completed on time, division position descriptions, essential forms, policies and procedures, as well as the division organizational chart. This position serves on the DAS Web E-Governance and DAS Communications committees as the division representative and reports new information to managers.

The manager develops, monitors, and is accountable for the financial obligations of the Admin section's budget. This includes work with fiscal analysts in DAS Financial Services, DAS Accounting Services, and the deputy controller. The section manager participates in strategic planning meetings and the development of administrative performance measures. As a member of the management team, the manager participates in decision-making and cooperative interactions among staff and management. The section manager works to resolve problems and personnel issues and participates in discussions of agency and division goals and objectives.

Communication and Customer Service: This section supports division communications by sending out bi-weekly Admin updates; facilitates division web page layout, content and organization; assists with the planning of all-staff meetings; provides registration and, monitoring of statewide conferences and training. The section promotes excellent customer service at all levels. The results of the DAS Customer and Employee Surveys are reviewed annually for any problems areas and new ideas for improvements are considered.

Employee Development: Administration takes the lead in promoting division employee development and recognition. Support staff process employee division training requests, register and coordinate materials for statewide audio and video training, coordinate special all-staff division training, maintain division training database, and monitor manager employee evaluations to be sure employees have an individual training plan and training report for each year.

Special Projects: The administrator and deputy provide leadership and direction resolving statewide ad hoc issues resulting in statewide policies, procedures or special reports, as well as representing the State of Oregon at the national level regarding governmental accounting issues.

DAS Projects: Provide support to the Director's Office for special projects such as Content Management, DAS Communications, Statewide Performance Measurements, Strategic Planning, and fiscal leadership to other divisions and agencies.

Customers and Services

The Administration staff work with many levels of government as well as citizens and business members of the community. This is an overview of our customers and the services provided.

State Controller's Division Staff: Provide the necessary tools and services that enable employees to complete their work objectives. Ensure that limited resources are consistently applied to meet high priority goals and objectives. Ensure that work is planned, resources are coordinated and available, and that an on-going system of accountability and reporting is in place to evaluate progress, adjust plans, and learn from mistakes.

Department of Administrative Services Staff: Work harmoniously with other department staff to provide customer service from a department and division perspective. Complete all department and division management and administrative processes effectively, efficiently, and timely.

State Agency Staff: Provide prompt, courteous responses to agency questions and requests for information. May assume a coordination role in resolution of statewide issues or projects. Represent the division in a professional and competent manner. Include customers and stakeholders in the policy and decision making processes. Execute leadership in regulatory functions fairly and consistently.

Legislators and Legislative Staff: Provide concise, meaningful information regarding division operations, budget and proposed legislation. Help legislative staff assist legislative members. Review proposed legislation and provide information, coordination, and testimony as needed.

Governor and Statewide Management: Provide reliable and consistent statewide financial information and interpretations as requested.

Vendors: Process their payments timely and accurately. Provide accurate information upon request. Work collaboratively to resolve any issues such as pricing or quality of services they provide.

Citizens and Investing Community: Assist state auditors and state treasury officials in providing accurate and complete statewide financial information and disclosure in accordance with state law and national government financial reporting standards.

Operating Philosophy

The Administration Section staff holds the following behaviors in high regard. We value confidentiality, timeliness, and the pursuit of 100% accuracy. Our staff members also share these other values:

Communications: Keep others informed at every level in a timely manner. Follow “plain language” guidelines in all communications applying appropriateness to the audience.

Cost-Consciousness: Monitor office expenses, equipment costs and contractual obligations.

Customers First: Promote and provide an enthusiastic, helpful, courteous, and prompt response to customers. Maintain high level of customer support for our internal and external customers.

Diversity: We value diversity and strive for a workplace that honors the dignity of all people.

Experts in our Areas: Recognize our changing environment and seek training to keep current in technical advances. Encourage high technical competency.

Proactive: Anticipate what needs to be done and take the initiative. Dedicated staff work hard to plan ahead to achieve deadlines and take on extra projects.

Problem solving: Work through issues as they arise to create an atmosphere that promotes tolerance, trust, and team participation in order to create new and innovative ways of handling problems and providing excellent service.

Professionalism: Actively promote the highest standards of professional competency, integrity, and professional conduct.

Innovative: Always look for ways to make staff changes for the benefit of all. Use creativity and strive to work smarter and refine processes to save resources.

Integrity, Honesty and Trust: Committed to highest standards and principles of personal ethics and professional conduct. Staff held accountable for actions.

Leadership: Take the initiative to change processes and procedures for the better to further gain efficiencies where possible. Search out the right answer wherever it goes. Set standards, make decisions, and follow through.

Stewardship: Management's responsibility to properly utilize and develop its resources, including its people, its property and its financial assets.

Teamwork: Collaborate well with internal and external staff, as good teamwork is essential to accomplish our goals. Show flexibility and support each other when needed to achieve our goals. Listen to all ideas.

Work Quality: Complete work assignments efficiently and accurately, paying close attention to detail. Strive for excellence in all areas.

Resources

Resources As Allocated to Services

Function	Admin Manager (Jan Klukis)	Office Specialist 1 (Roxane Palmer)	Administrative Specialist 1 (Donna Bergey)	Percent of Function with 3 FTE
Administrative reporting	6.0	2.5	2.0	10.5
Accounts payable	2.0	2.5	8.0	12.5
Admin budget	5.0	.0	.0	5.0
CAFR support	.5	.5	14.0	15.0
Communications	12.0	5.0	4.0	21.0
Document preparation	9.0	9.5	13.5	32.0
Equipment use & maintenance	.0	10.0	5.0	15.0
Ergonomic assessments	.0	5.0	0.0	0.0
Filing	2.0	18.0	2.0	22.0
Mail services	.0	15.0	3.0	18.0
Personnel	8.0	2.0	.5	10.5
Performance measures	5.0	.0	1.0	6.0
Planning	6.0	2.5	2.0	10.5
Policy support	5.0	.0	4.0	10.0
Purchasing	6.0	2.5	5.0	13.5
Recruitments	5.0	4.0	.0	9.0
Scheduling	4.5	8.0	3.0	15.5
Supervision and training	10.0	.0	2.0	12.0
Inventory management	2.0	12.0	4.0	18.0
Database maintenance	4.0	1.0	5.0	10.0
Travel arrangements	2.0	.0	2.0	5.0
Web page maintenance	6.0	.0	20.0	29.0
	100%	100%	100%	300%

Prior Year Achievements

2007/2008 Accomplishments (through 6/30/08)

Administrator and staff

1. Administrator (State Controller) provided leadership and direction to the Division through regular manager meetings and internal communications.
2. Administrator maintained internal communications and team building for all of SCD through bi-weekly section email updates, an annual planning session, and several all-staff luncheons.
3. Administrator continued to support statewide training. Admin services continued to support the training offered to agencies by assisting with registration, equipment, etc.
4. Admin Services continued to improve team productivity and efficiency through frequent communications with division staff and through admin staff meetings held on a regular basis.
5. Admin Services continued to monitor office expenses by checking invoices carefully for excess charges, duplicate billings and bogus billings.

6. Admin Services provided oversight and maintenance of SCD Internet and SCD portal web sites. Staff assisted several sections in the project of web maintenance providing timely information to agencies.
7. Admin Services continued to provide support for statewide training for program areas by maintaining the central email address for agencies to use to register for classes. (SCD.Register) The Admin team monitors the incoming email, responds, and keeps a spreadsheet of trainee information for the facilitator.
8. Admin Services encouraged and assisted managers to complete employee performance evaluations (PE's) on time each month. SCD was successful in maintaining 100% on time PE completion for the eighth consecutive year and was one of the few DAS divisions to accomplish this.
9. Admin Services assisted in improving the CAFR internal process by using document linking without a master document which proved to be more efficient for the SARS accountants. Staff continues to provide strong support to the SARS program in many areas.
10. Admin Services organized, created, and sent out all Gold Star certificates and letters for SARS to agency directors and fiscal staff—approximately 100 certificates and at least 200 letters.
11. Admin Services did the final compiling, layout and printing of several division publications. These included the SARS CAFR, the SFS A/R Strategic Plan, the SCD Internal Business Plan, the DAS External Business Plan, the SCD Performance Measure Report, the DAS Key Performance Measure Report and the new SCD Citizen Centric publication.
12. The administrator reviewed the bi-annual SCD Employee Survey which received an overall score of 76%—employees who were very positive about working for the SCD. Feedback received will be incorporated into the section business plans.
13. The administrator reviewed results of the annual DAS Customer Survey. Results were good with an overall 81% positive feedback.
14. The administrator conducted the annual business plan meeting to review past year accomplishments, new opportunities, and direction of the future. A variety of topics were discussed in a roundtable fashion with a facilitator for each. Technical topics on the impacts of Senate Bill 583 regarding security were discussed as well as fraud and internal control. Additional topics were customer perspectives; changing GASB standards and their impacts; SFMS Facelift project; Small Agencies and quality of accounting; E-Commerce update; statewide accounts receivables and legislation; and payroll system issues and update. Ideas generated will be incorporated into section plans for the coming year.
15. The State Controller continued to serve a five-year term as a member of the national Financial Accounting Foundation (FAF) Board of Trustees since 2007.
16. The State Controller provided leadership at the national level by attending the NASACT annual conference in August of 2008.
17. The State Controller is a member of the Government Finance Officers Association (GFOA), Association of Certified Fraud Examiners (ACFE), the Institute of Internal Auditors (IIA) and the Association of Government Accountants (AGA).
18. The State Controller was selected as a member of the Advancing Government Accountability's (AGA) National Executive Committee in July of 2007. He spoke at the AGA annual conference regarding issues for the future government manager in July of 2006. He is a member of the Board of Trustees of the Association for Government Accountability.
19. The State Controller attended the AGA Professional Conference & Exposition in July 2008.
20. The State Controller facilitated the creation of the first Citizen Centric report for the state of Oregon, a report to the citizens on how we have progressed and what our current situation is in

regards to the state's finances. [Link to the report](#). He partnered with the AGA who did the layout and paid for the printing and several DAS personnel to compile info needed.

21. The administrative office produced the following reports:
- Budget Presentation for Legislative Review
 - Expenditure Authority & Responsibilities for State Agencies
 - SCD Accomplishments & Improvements for DAS Report
 - SCD External Business Plan 06-2011 for DAS Business Plan
 - SCD Risk Factors for DAS 07-08 Report
 - SCD Customer Service Improvements for DAS Report
 - SCD Efficiencies for DAS Report
 - SCD Key Performance Measures for DAS KPM Annual Report
 - SCD Citizen Centric Report for FY07
 - SCD Strategic View for SCD Business Plan updated with these additional sections: Cost Control Management Plan; Sponsored Training Events; State Controller's Priorities; Stewardship Plan; Sustainability; Weighing the IT Risk Factor; and Workforce Management Survey

Long-Term Goals and Supporting Objectives

A. Goals – Division & Statewide Training

Identify and make time for appropriate training to increase awareness of what is possible and to improve expertise in use of technology and field subject matter.

Objectives	Results
Provide leadership and accountability to all levels at DAS and the agencies.	Uphold the DAS Mission: Lead the pursuit of excellence in state government.
Provide training to agencies on accounting and payroll standards and federal regulations.	Deliver timely and accurate information to our customers. We provided or sponsored training on IRS regulations and tax levy processing, OSPA payroll processing, year-end close requirements, internal controls, fair debt collections act and federal cost allowability.
Update system manuals, reference guides and other user resources as needed.	Deliver timely and accurate information to our customers.

Objectives	Results
Participate in professional organizations: <ul style="list-style-type: none"> • AGA (Association of Government Accountants) • GFOA (Government Finance Officers Association) Oregon Society of CPA's. • IIA (Institute of Internal Auditor's • NASAC (National Association of State Comptrollers) • NASACT (National Association of State Auditors, Comptrollers, and Treasurers) 	Share information and exchange ideas with a network of professionals with a common interest in state government financial management.
<ul style="list-style-type: none"> • OMOFA (Oregon Municipal Organization of Finance Officers) • OSCPA (Oregon Society of CPAs) • OSFA (Oregon State Fiscal Association) 	(Cont.)
Read professional journals and periodicals.	Stay knowledgeable of current issues and opportunities.
Provide "food for thought" on leadership topics and training for SCD managers.	Improve leadership skills at management level.
Encourage SCD staff to attend training that will enhance their knowledge and skills.	Encourage managers to identify training needs and commit time and dollars to enable employees to stay current with industry and technology changes related to their jobs. Promotes a productive workforce.
Provide on-the-job training to new SCD staff.	Encourage managers to provide training and tools needed for new employees.
Provide cross training for backup purposes.	Services should continue to be provided to our customers during vacancies, illness, etc.
Promote employee career advancement through professional development.	Encourage managers to work with employees to develop career paths, recommend training and/or job rotations to achieve their long-term goals. Managers include training plans for employees with their performance appraisals.
Provide low cost alternative sources of training such as web conferences, teleconferencing, in-house cross-training, etc.	Provide additional training opportunities for employees to stay current in career-related subjects during budget constraints.
Monitor and track division employee training for Performance Measure reporting.	Encourage all employees to achieve a minimum of 20 hours of annual training. Provide quarterly update of amount of training received per employee to management team.
Enable staff to provide training to state agencies and other government entities.	Training at the agency level promotes good fiscal management and financial reporting and management.

B. Goals – Division Support Services

Provide reliable, timely, complete, and accurate administrative support services; identifying full scope of specific requests, anticipating needs not addressed, and assuming leadership to implement change for improvements.

Objectives	Results
Provide reliable, courteous, and efficient administrative and executive level support to the division.	Coordinate activities, meetings and agendas for division topics; provide timely retrieval of materials and correspondence to Administrator. Provide assistance to managers with special projects.
Provide friendly and reliable reception services – promote excellent division customer service.	Continue to hire and train staff with skills needed to provide excellent customer service.
Provide clerical services in a timely, courteous, and accurate manner.	Provide general clerical services to division staff such as archiving, copying, filing, printing, faxing, scanning, surplus and mail handling, following internal processes and procedures.
Management of business office and support staff in a pleasant team environment. Remain flexible to changing priorities.	Supervise and work with staff on assignments to meet deadlines while complying with internal policies and procedures.
Maintain desk manuals for all positions.	Manager reviews and makes sure processes are current. Important tool for new employees.
Review all DAS internal policies and procedures, identify and recommend new internal processes for the division as needed.	Division complies with all state rules and laws as well as DAS standardized policies and procedures.
Provide support for growth and development of division and statewide training.	Maintain registration through central email address; provide web announcements about training offered and evaluation tools for presenters.
Process division personnel actions, performance appraisals, purchasing, payment transactions and travel arrangements following state policies and procedures.	Provide timely processing of employee performance evaluations, purchasing and travel requests. Staff will use on-line transactions with state purchase card whenever feasible.
Maintain adequate level of supplies and office equipment for the division.	Provide consistent inventory levels of office supplies while monitoring expenditures with the budget projections.
Continue to promote electronic distribution and storage of information. Work towards reducing waste and use resources wisely.	Promotes vision for economy and sustainability in state government.
Proof read publications, policies, and web updates following the DAS Web Style Guide and editorial guide.	Provide error-free and professional looking publications meeting the department standard for easy reading.
Attend DAS Personnel meetings and update managers on personnel matters.	Communicate updates to management staff. Address and problem-solve personnel related issues.

Objectives	Results
Maintain new employee checklist for supervisors.	Assist supervisors by providing them the tools they can use to orientate new employees with the basics in policies and procedures for SCD and state government.
Provide automatic setups/terminations for new and departing employees such as building key card, computer access, etc.	Managers do not have to remember to do these items; we provide them automatically as a service.
Provide performance measure reporting and tracking.	Track and report raw data for Admin indicators. Compile and design division quarterly and annual reports.
Monitor Administration budget and monthly expenditures.	Keep expenses on track for the section.
Provide advanced word processing services to division staff such as creating Word templates, master documents, and indexing for word processing projects.	Provide consistent formatting so that multiple users can insert various documents into a large document such as the State's CAFR. Create publications that are professional looking and easy to read.
Provide support to SARS especially during the CAFR season (Comprehensive Annual Financial Report). The season runs from August through December.	We have prepared file areas in preparation of the 2008 CAFR edition. Instead of using a Master Document which became corrupt in 2006, the CAFR is now divided into six sections.
Provide timesaving entry forms for employees for DAS & SCD required forms.	Saves staff time with easy key entry instead of print and write-in method.
Maintain common file access for standard forms, policies and other documents.	Provide easy electronic access to forms, policies, and documents for division use.
Provide and maintain personnel guidelines for managers.	Provide supervisors with guidelines to ensure proper procedures are followed.
Coordinate division web page information placement, design, format and content. Strive for efficiencies in providing customer satisfaction.	Conform to DAS web guidelines and policies. Improved the search feature on our web sites.
Maintain several program web mini-sites.	Maintain timely and accurate information on SCD web sites.
Provide leadership and division coordination of special projects.	Take the lead in organizing functions required from the Director's Office such as booth at All Staff Mtg.
Serve on DAS Committees to represent the Division.	Report to managers and staff any new developments that affect the division.
Strive to improve efficiencies within the unit.	Continue to review internal processes and procedures, streamline when possible without losing integrity.

C. Goals – Division Cost Recovery and Revenue Management

Allocate Division costs to state agencies based on documented methodology which complies with state and federal requirements, is fair and equitable, and can be understood and communicated.

Objectives	Results
Develop methodology for cost allocation based on new systems and services.	Fair and equitable distribution of Division costs.
Provide appropriate oversight and cost containment processes.	Maintain system integrity while keeping costs to a minimum.
Optimize system performance.	Archive or remove outdated financial data from system to enhance performance.
Identify and make available necessary statistical data for allocation of costs.	Fair and equitable distribution of Division costs.
Make methodology known to state agencies including underlying rationale.	Paying agencies gain understanding of charges for services and what they are paying for under new methodology.
Develop direct cost for services billing methods for appropriate charges.	Fair and equitable distribution of Division costs.
Protect financial systems information and assets.	Partner with state security office to ensure system security processes are in place.

D. Goals – Division Budget Planning

Coordinate and integrate Division planning efforts with budget preparation, execution, and legislative proposals.

Objectives	Results
Coordinate allocation of the 2009-11 biennium budget by section.	Monitor necessary resources to support approved plan.
Communicate expenditure/budget status to section managers through summary budget status reports and quarterly detailed plans.	Keep managers informed of availability and use of resources to meet needs.
Participate in development of statewide electronic Price List.	Better communication and agency understanding of charges for services during planning process.
Identify potential 2009 legislative proposals and policy option packages.	Laws better aligned with Division mission and goals.

E. Goals – Division and State Leadership

Play an active leadership role in resolution of statewide ad hoc initiatives.

Objectives	Results
Continue to work collaboratively with other DAS Divisions, central agencies, and state agency staff to identify and resolve complex fiscal management issues that impact them.	Use data gathered to improve service delivery statewide to promote consensus and understanding.
Foster excellent customer service at all levels.	Use results of survey and incorporate feedback to improve division service delivery.
Develop annual Business Plan with input from all SCD sections and programs.	Optimize division performance by setting goals and reviewing past goals and achievements.
Support high productivity of SCD staff by completing performance appraisals on time.	Provides clear direction to staff. Reviewing performance regularly promotes good morale.
Monitor internal performance measures and review results quarterly.	Tool used to review and optimize overall division performance.
Survey SCD staff through DAS employee survey and evaluate input.	Promote a productive and harmonious workplace.
Promote a safe work environment by responding to issues, if any, identified in quarterly safety reviews.	Provide a safe work environment, promote a productive workforce; keep workers' compensation claims to a minimum.
Maintain business continuity plan for restoration of mission critical SCD functions.	Ensures workforce needs are met, protect state's assets and information.
Continue system specific user meetings.	Improve communication statewide to promote consensus and understanding.
Signoff on effective and collaborative statewide accounting policies that provide clear direction.	Involvement of stakeholders in developing policies helps to create a clearer policy.
Maintain state internal control initiative to strengthen statewide management control of our financial systems.	Improve statewide financial management results—reduced audit findings.
Maintain e-commerce initiative.	Provide support to state agency fiscal staff regarding the DAS electronic payment application and integration through our financial system.
Maintain statewide focus of accounts receivable collections.	Introduce several legislative concepts to enhance the functionality of this program
Insure that financial system enhancements and security are provided to agencies.	Continue the initiative to involve agencies in prioritizing of new optional projects.

F. Goals – Division Communication

Improve communication between sections and encourage team building.

Objectives	Results
Communicate to SCD employees on a regular basis through staff meetings and e-mail communications.	Encourage communication at all levels. Promotes good morale and a productive workplace.
Provide regular communications to customers through user group meetings, newsletters, email lists, and web sites.	Meet the information needs of our customers in providing excellent customer service. Held user group meetings for SFMA, OSPA, and the Datamart; published Datamart, OSPS, and Internal Control newsletters; used email news lists for announcements to agencies.
Monitor results of customer surveys and incorporate feedback to improve our service delivery.	Foster excellent customer relations. Monitor the “Customer Advocacy” program, a customer feedback tool on our website that the administrator monitors.
Encourage managers to attend and participate in DAS quarterly supervisory manager meetings.	Stay informed with DAS events and important managerial info, network with other managers, and keep others informed about our division. Managers attended the DAS Supervisory Meetings.
Review Division web pages for format and content. See that section pages are updated as needed after our Site Review report.	Ensure that SCD web pages conform to DAS web style guide for a uniform look and communication flow that provides timely and accurate information to state agencies and the public. Completed web site changes needed per DAS annual review; updated contact info related to staff changes; created several new web pages such as SCD employment opportunities; updated training calendar, travel page and policies.
Management of electronic communication lists.	Provide e-communications to contacts at state agencies.
Maintain shared file area for SCD employees to provide easy access of internal information and forms.	Provide information and easy access to forms within SCD for employees.
Maintain current and informative bulletin boards. Post SCD activities and agency and state info.	Another source of information for employees.
Serve on various DAS Committees.	Provide liaison for the division.

Performance Measures

Performance measures link to the 2007–08 business plan with measurable outcomes in order to evaluate performance and the management of business plan objectives.

Results-Based Performance Measures

The following results-based performance measures apply to individual team member performance as well as to the performance of the administration team as a whole. They are non-reporting measures.

Non-Reporting Performance Measures	Performance Standard	Key Staff
Ensure division budget is managed on monthly/quarterly basis without overspending or revenue implications to state agencies.	No deficit spending. No cash flow issues. Revenues adequate to meet Division needs.	Joy/John
Provide policy management.	Customer review, acceptance, and accuracy.	Assigned
Provide SCD performance management.	Annual business plans complete and on schedule. Quarterly performance of goals in their plans tracked and reported in one quarterly report for the external business plan quarterly report.	Jan
	Monitor internal performance measures and review results quarterly. (For the external business plan report)	Jan
Provide service charges and service rates.	On time and adequate documentation.	Joy
Ensure systems and procedures in place to process all personnel actions 100% accurate and on time.	On time as satisfactory to DAS Personnel.	Jan
Provide legislative fiscal review.	Complete reviews on time. Accurate and responsive fiscal impact statements.	As assigned
Provide timely SCD invoice processing and bill paying.	All SCD invoices paid within 20 business days of receipt.	Jan

Behavior-Based Performance Measures

The following behavior-based performance measures apply to the performance of division accounting, payroll, fiscal, and administrative staff team members.

Customer Service

Customer services provided by the State Controller’s Division cover a range of diverse governmental accounting and payroll related activities. Training and agency support for establishing, managing, and processing accounting, purchasing, payroll, and financial reporting transactions comprise the main core of customer services. Interpreting and developing statewide policies based on federal and state laws and national accounting standards compromise another core service area. Some of our direct services

include providing state payroll and vendor payment disbursements, year-end tax reports, the Comprehensive Annual Financial Report, and publishing various internal policies, procedures, and operating manuals.

Objective 1 – Primary performance indicator is “Customer satisfaction.”

It is the goal of State Controller’s Division Administration to ensure the needs of state agencies utilizing SCD services are being met effectively and efficiently.

Performance Measure		
Overall Objective	Performance Achieved in 07-08	Key Staff
Percent of SCD customers satisfied with SCD’s overall customer service. The DAS goal is 90%.	The annual DAS Customer Survey finds 81% of SCD customers rated SCD services good or excellent.	Admin tracks

The below results are the annual average of quarterly results.

Performance Indicators	Target	FY 08 Results	Key Staff
PM 1-1 Percentage of customers rating SCD overall timeliness as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	85%	Admin tracks
PM 1-2 Percentage of customers rating SCD overall accuracy as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	85%	Admin tracks
PM 1-3 Percentage of customers rating SCD overall helpfulness as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	83%	Admin tracks
PM 1-4 Percentage of customers rating SCD overall expertise as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	82%	Admin tracks
PM 1-5 Percentage of customers rating SCD overall availability of information as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	78%	Admin tracks
PM 1-6 Percentage of customers rating SCD overall services as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	81%	Admin tracks
PM 1-7 Percentage of customers rating SCD overall rapport as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	N/A	Admin tracks
PM 1-8 Percentage of customers rating SCD overall policy & clarity) (<i>changed from follow-through</i>) as good or excellent from the annual <i>DAS Customer Survey (avg.)</i>	90%	76%	Admin tracks

Employee Satisfaction

Through the direction of management, the division strives to retain and recruit qualified employees, maintain a diversified workforce, promote career advancement, and provide good communication with employees to ensure the needs of the Division and the financial interests of the State are met. The Administration section monitors results through the DAS-wide annual employee survey.

Objective 2 - Primary indicator is "Employee satisfaction."

Performance Measure		
Overall Objective	Overall Results Achieved in 07-08	Key Staff
Percent of SCD employees satisfied with their job. The goal is 90%.	Employee survey conducted bi-annually finds 76% of SCD employees rating SCD as good or excellent to work for.	Admin tracks

Performance Indicators	Results in 07-08	Key Staff
PM 2-1 Track percent of employees completing at least 5 hrs of training per quarter. Our annual goal is 25% of employees receive 20 hrs of training.	33% of employees received 20 hours of training last year (average). This result is ahead of target.	Admin tracks
PM 2-2 Percent of annual employee performance appraisals conducted on time. Our goal is 95%.	100% employee performance reviews were completed on time. (7th consecutive year)	Admin tracks
PM 2-3 Goal is to retain and recruit qualified employees. We measure the percent of employee positions that had no turnover. Our goal is 85%.	86% was the average percent of position turnover. This was a good year for employee retention.	Admin tracks
PM 2-4 Communicate with employees on a regular basis. Our goal is 70%.	We had 69% of section email news updates sent bi-weekly by managers.	Admin tracks
PM 2-5 Communicate with managers on a regular basis. Our goal is 90%.	Ahead of target, we conducted 92% planned bi-weekly manager meetings.	Admin tracks
PM 2-6 Keep administrative costs down. Measure personal service costs. Our goal is under \$2,000 per employee.	We met the goal of keeping administrative costs below \$2,000 per employee.	Admin tracks
PM 2-7 Conduct bi-annual survey of employees to see overall results. Our goal is 80% rating.	As reported above, 76% of employees scored SCD as a good or excellent place to work. Results of survey were discussed by SCD management staff, ideas implemented in business plans.	Admin tracks
PM 2-8 Percent of improvements made from Employee survey. Goal is 25% per quarter.	Improvement ideas were completed for the year.	Admin tracks
PM 2-9 Employee safety: Annual number of SAIF claims per 49.5 FTE	Zero claims were reported.	Admin tracks

The full report of State Controller's Division Performance Results by section are published in the SCD Quarterly Performance Measure Report.

Oregon Statewide Payroll Services

OSPS

**2008–2009
Business Plan**

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Our Mission

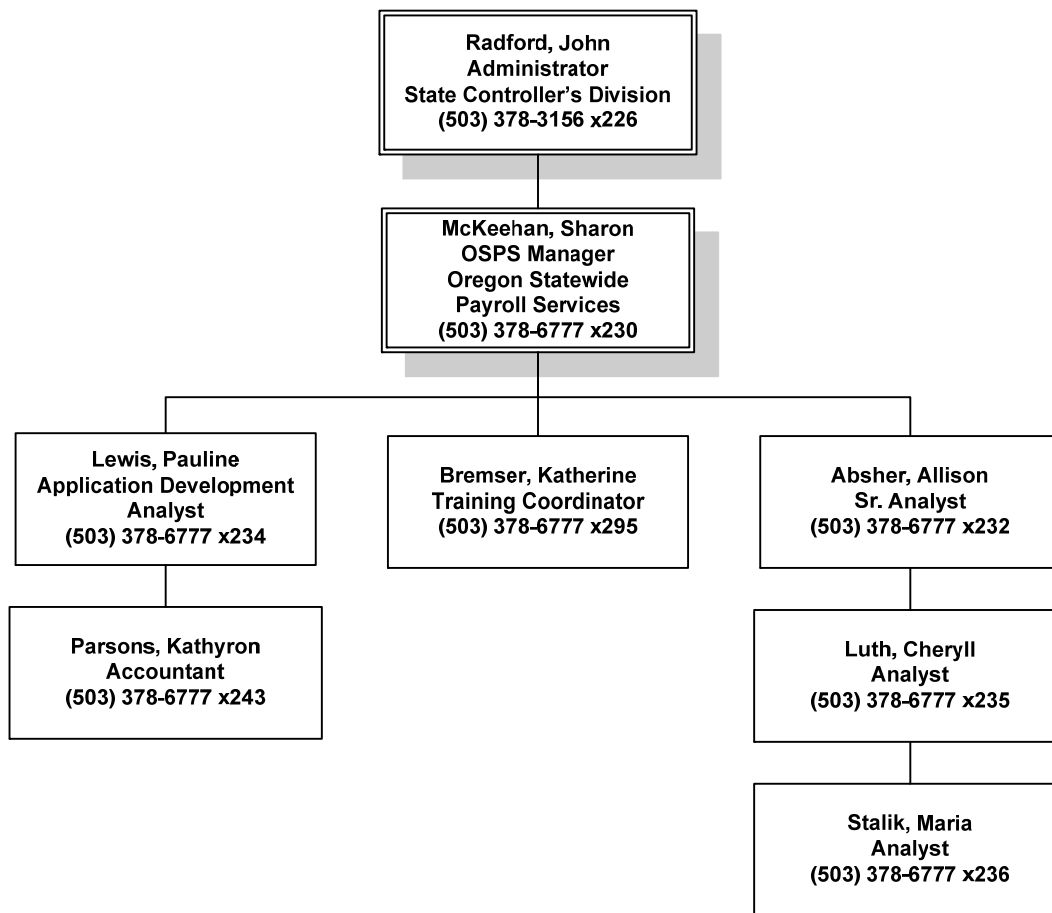
“To support the operation of Oregon state government and its agencies by facilitating the preparation of timely and accurate paychecks for state employees, ensuring compliance with all federal and state payroll regulations and providing the highest level of service and value to our customers and stakeholders.”

Our Vision

Oregon Statewide Payroll Services (OSPS) will support and empower agencies by providing the system (Oregon Statewide Payroll Application) and tools they need to process their payrolls. We will develop our staff, provide customer service, train agency payroll staff in the use of the payroll system and in best payroll practices, and use our technological resources for training and information outreach to the agencies.

Organization

OSPS is part of the State Controller’s Division, which is part of the Department of Administrative Services. We have seven full-time positions.



Purpose

To maintain and operate the Oregon Statewide Payroll Application (OSPA) for use by the Executive, Legislative and Judicial Branch agencies of the State of Oregon to prepare payroll payments for their workforce.

Our purpose also is to provide the resources to assist agency payroll staff in the use of the OSPA. We provide training for payroll technicians, published manuals and resources, special bulletins and information, as well as daily system support and payroll guidance to the agencies.

We maintain the OSPA so that it is programmed with accurate table information and calculation routines resulting in the production of timely and accurate paychecks. Our work considers the varied and diverse needs of the agencies, collective bargaining agreements and state employees.

We act as the common paymaster for the agencies ensuring that all taxes are calculated, collected and submitted timely as well as accurately posted to each employee's year-to-date record resulting in accurate W-2 forms at the end of the year. We file quarterly and annual payroll tax returns to federal and state taxing authorities. We maintain a knowledge base of federal and state payroll regulations to be sure the system is compliant and in order that we may function as an information and advisory resource for agency payroll staff.

Key Functions

- **Application Maintenance and Enhancement** - OSPS maintains the Oregon Statewide Payroll Application for accuracy, needed functionality and optimum availability. We manage the System Development Life Cycle (SDLC) applying CobiT standards. We work toward enhancing the system's usefulness and flexibility through programmed updates and changes. In making system changes, we seek always to preserve the original table-driven structures which are cost efficient to maintain.
- **Agency Payroll Support** - OSPS strives to provide the highest degree of customer service and value to agency payroll staff and to all other individuals and organizations with whom we interact in the course of our daily operation. We provide training and assistance in the use of the OSPA, as well as guidance in general payroll practice. We also provide consultation, research and guidance to assist agencies in resolving payroll payment errors and problems.
- **Daily Payroll Payments** – OSPS provides a daily run of off-cycle payroll payments. These manually produced payments ensure that the agencies are in compliance with BOLI rules for final pay to departing and retiring employees, the issuance of payroll advances and necessary pay adjustments and corrections.
- **Tax Filing and Reporting** - OSPS ensures timely and appropriate calculation and payment of tax withholdings as well as timely monthly, quarterly and annual reporting. Additionally, we provide the electronic data files required to comply with the reporting requirements of the Oregon Department of Employment and the Oregon Department of Revenue. This centralized reporting via the mainframe results in a very low-cost method of information sharing and reporting. At calendar year-end, we provide year-end close guidance to the agencies and issue W-2 forms. We provide summary and detailed W-2 reporting totals to Social Security Administration.
- **Payroll Policy and Procedural Guidance** - OSPS issues, under the direction of Statewide Accounting and Reporting (SARS), payroll and tax related policies and procedures. We publish the web-based OSPS Reference Manual.
- **ACH Processing** – We reconcile and release twice-monthly production batches of direct deposit payments through the Oregon Treasury to the financial institutions chosen by state employees or to the AccelaPay payroll card.

- **Set Production Schedule** – OSPS publishes the Statewide Payroll Calendar to set the annual schedule for the monthly production of payroll Run 1 and Run 2 and to designate paydays. We coordinate with SFMS to develop the schedule for interfaced labor cost information to R*Stars and with PERS to develop the annual posting and payment schedule. In addition, we schedule paycheck and report delivery as well as timesheet production and delivery.
- **Performance Management** - OSPS seeks to provide training and professional development opportunities to staff, sets performance goals, and measures section performance.

Legal Authority

Our legal authority comes from the Chapter 292 of the Oregon Revised Statutes. We provide policy and procedure in Chapter 45 of the Oregon Accounting Manual.

292.010	Defines the state's payroll schedule
292.016	Provides for the centralized payroll procedure
292.018	Designates DAS as the state's payroll agent
292.024	Authorizes the Joint Payroll Account
292.026	Permits the issuance of payroll checks from the Joint Payroll Account
292.033	Permits pay advances and off-cycle payments for termination checks
292.034	Authorizes us to charge the agencies for the centralized payroll services
292.042 - 292.067	Authorizes direct deposit of paychecks
292.045- 292.065	Authorizes the deduction of insurances, union dues, parking fees, charitable fund contributions, etc.
292.070- 292.110	Defines the payroll deduction savings bond program

Resources

Our most valuable resource is our staff. The OSPS staff are not only expert in their knowledge and understanding of the payroll system but also in their knowledge of payroll practices, laws, federal and state tax regulations as well as the diverse collective bargaining agreements that are applicable to represented employees across the agencies. In addition, each staff member strives to provide the highest level of service and information to our customers. Each member of the OSPS staff is committed to payroll and technology training to improve their individual skills.

Resources As Allocated to Functions

Function	OSPS STAFF							Total FTE
	Manager Sharon McKeehan	Application Dev. Analyst Pauline Lewis	OSPS Specialist Allison Absher	OSPS Specialist Maria Stalik	OSPS Specialist Cheryll Luth	Accountant Kathyron Parsons	Trainer Katherine Bremser	
System Maintenance	20%	94%	7%	9%	9%	4%		1.55
Agency Support	20%	4%	35%	62%	61%	20%		1.80
Report Distribution			4%	12%	13%	1%		.38
Daily Payroll Checks	1%		29%	4%	4%			.37
Accounting Functions	10%					41%		.51
Reconciliation and Payment Distribution			3%	13%	13%			.29
ACH, Banking and Treasury Coordination	1%	2%				14%		.15
Quarterly and Annual Reconciliation, Tax Filing and Reporting	1%					20%		.21
Training, Resources & Publications	5%		7%				94%	1.06
Special Projects	10%		8%				6%	.24
Policy & Procedure	10%							.10
Review and Reporting	22%		7%					.34
Total	100%	100%	100%	100%	100%	100%	100%	7.00

Stakeholders

Citizens of Oregon	DAS Labor Relations
The Governor of The State of Oregon	Labor Organizations
Oregon State Legislature	Charitable Fund Drive
Director, Department of Administrative Services	Oregon Food Banks
Administrator, State Controller's Division	Creditors Who Have Filed Garnishments
Payroll Offices - All State Agencies	Department of Justice Child Support Enforcement
State Employees	Department of Employment
Public Employees Benefit Board	DAS Printing and Publishing
Insurance Vendors	DAS Accounting Services Unit
PERS	Statewide Financial Management Systems
Oregon Treasury	Statewide Accounting and Reporting Section
Financial Institutions	Bureau of Labor and Industries
Internal Revenue Service	American Payroll Association
Social Security Administration	Other State Governments
Department of Revenue	Secretary Of State – Audits Division
DAS Information Resource Management Division - SD&C	Client Agencies
Human Resources Services Division	Transportation Districts

Core Values

Payroll preparation is of immense importance to the recipient of the check, to the employer and to agencies who receive taxes generated in the preparation of the paychecks. For that reason, payroll professionals traditionally hold in high regard the values of confidentiality, timeliness, and the pursuit of 100% accuracy. Other core values held by the OSPS staff are:

- Integrity
- Professionalism
- Leadership
- Creativity
- Innovative
- Initiative
- Accountability
- Promptness
- Proactive
- Stewardship
- Flexibility
- Attention to Detail
- Excellent Customer Service
- Communication
- Cost consciousness

OSPS staff members display a strong sense of teamwork and value the skill diversity that completes the team. They support one another in accomplishing their work.

Prior Year Achievements

2007-2008 Accomplishments

SYSTEM

1. Initiated 250 service requests for system changes, maintenance and data clean-ups. Completed 206, placed 5 on hold and 39 remain open and in process. Processed 63 pay and deduction code requests for new, changed or decommissioned codes. On average, we create, add and document 40 new work schedules each month.
2. Continued the project to replace the employee Social Security Number with employee ID number on payroll reports and other system outputs. Modified all daily outstanding check and cleared check reports to substitute the employee ID number for the SSN.
3. Implemented a temporary reversal of the separation of the PERS Tier 1/Tier 2 employer contribution rates for General Service and Police and Fire. While the desired outcome was to eliminate the blending of these two rates, budgetary impacts to the affected agencies resulted in a delay in this implementation until July 1, 2009. Modified the PERS Bond Rate as requested by BAM.
4. Modified system tables, calculation modules, and reports to incorporate all requirements of PEBB Plan Year 2008.
5. Maintained system tables to ensure transactional accuracy. Completed a comprehensive review of active garnishment codes which included a purge of codes no longer needed.
6. Planned and executed the necessary system changes, jobs, reports and tasks necessary to perform 2007 year-end close and implement payroll year 2008. Implemented temporary year-end controls to improve outcomes for the agencies. Produced 45,000 W-2s and provided timely individual and summary totals to Social Security Administration.
7. Updated system benefit package tables and created codes needed as the result of the settlement of the SEIU, AFSCME and all other 07-09 collective bargaining agreements. Set correctives by group when appropriate in order to assist agencies in paying retroactive pay. Implemented 'status quo' benefit packages for January 2008 for groups that had not yet settled.
8. Modified OSPA for a new dues deduction structure for state employees represented by AFSCME. Modified deduction code tables to apply a percentage, add a fixed dollar amount and measure against minimum/maximum amounts. The project also required a change in the monthly payment reporting format.
9. In response to a DAS Customer Survey special request, OSPS created an e-mail version of the pay stub. This version is e-mailed to state employees who are blind and use document reading software.
10. Implemented mandatory changes to the OSPS check format.
11. Updated the OSPS Interface Catalog into a new format. Reviewed the presence of SSN in any interface and documented the reason and permissions for that information.
12. Completed the work on standardizing the P070 and PTD2 screens as requested by system users.
13. Implemented system deduction codes, reporting and payment transfer structure necessary to support the PERS Oregon Savings Growth Plan loan program. Tested the reporting batch with CitiStreet Bank and implemented when approved. Coordinated with PERS and DOJ regarding the use of SSN. Hosted several meetings for agency payroll staff during implementation.
14. Processed the mandatory 2007 active employee data report for the Social Security Administration's Medicare data match project.

15. Created a new report print job "OSPSASAP" that includes the payroll management reports that are needed by the agencies as soon as possible after payroll is processed. This job prints first and staff distribute these first.
16. Created several new payroll management reports for the use of the agencies and for OSPS. Eliminated reports that were redundant, reduced copies of reports whenever possible. Updated processing forms used by the agencies to request and document transactions.

OPERATIONAL

1. Remained fully compliant with federal and state tax laws. Processed payroll tax payments, monthly and quarterly reports timely. Incurred no penalties.
2. Continued the support of the AccelaPay payroll card throughout the agencies as a viable alternate to traditional bank accounts for the destination of net pay. We will continue through the 07-09 biennium to proactively encourage the use of this card as a means to increase overall direct deposit participation beyond the current 84%. At 6-30-08, there were 280 active cards with 53% being used as the destination for net pay.
3. Coordinated with agencies, PPDB, Labor Relations and PEBB staff as the 07-09 collective bargaining agreements were settled. Participated in planning with PPDB for the update of compensation plans for COLAs and setting correctives in OSPA to process the retroactive pay. Conducted meetings with affected agencies whose contracts did not settle before the end of 2007 about the new-year transition to 'status quo' benefit packages, out-of-pocket costs and the steps necessary when the group ratifies its contract.
4. Assisted agencies with AFSCME represented groups in the calculation and payment of retroactive pay for months in 2007. Provided the agencies with recalculation spreadsheets for their review and approval; uploaded to OSPA when approved. This replaced many hours of manual work at the agency level.
5. Maintained and refreshed the OSPS WebPages each week to ensure accurate and current information is available to system users. Added and modified content throughout the year.
6. Built a database to manage the Charitable Fund Drive contacts, recordkeeping, code assignments and creation of annual ACH routing/transit and account number validation letters.
7. Participated in Business Resumption planning activities as well as the planning for the Top Off emergency response exercise.
8. Updated existing policies and procedures in the payroll chapter of the Oregon Accounting Manual.
 - a. 45.10.00.PO and PR – Voluntary Deductions
 - b. 45.20.00.PO – Cash Insurance Payments
 - c. 45.40.00.PO – Reimbursement of Expense Through OSPA
9. Finalized drafts of two policies and two procedures in the tax issues chapter of the Oregon Accounting Manual.
 - a. 50.10.00.PO & PR – Educational Assistance Payments
 - b. 50.20.00.PO & PR – Moving Expenses
10. Continued management of the OSPS Data Mart. Refreshed timely after each Run 2 payroll. Improved the query options by adding employee PERS Classification to the data mart tables.
11. Performed semi-annual reviews of manual check and pay advance signature authorizations.
12. Developed and published the Statewide Payroll Calendar for 2008.
13. Continued weekly tactical planning meetings with DAS Operations Enterprise Application Support (EAS) team lead and/or staff regarding the development and maintenance of OSPA.

14. Timely filed annual report and surrender of unclaimed property. Assisted agencies in managing this process and provided them with training and reference materials. Met all deadlines for the reporting and surrender of funds.
15. Created a database to manage the menu of system garnishment deduction codes. The database has the functionality to search for an existing code, initiate or terminate the use of a code and creates and formats updates for the Appendix of codes that is published on the OSPS website. At any given time, there are more than 400 active garnishment codes available for use in OSPA.
16. Participated in the quarterly National Association of State Comptrollers (NASC) state government payroll group conference calls. Served on planning committee for the payroll track for the 2008 NASC Middle Management Conference.
17. Accomplished cross training, task rotation and desk manual updates.
18. There were no workplace injuries.
19. All performance appraisals were completed on time.
20. Held regular staff and work team meetings.

AGENCY SUPPORT

1. Provided 15,904 off-cycle payroll payments processed in daily batches, to ensure that agencies are in compliance with BOLI regulations for terminating employees and to provide a method for agencies to correct payroll errors and grant requests for pay advances.
2. Processed 24 scheduled payrolls and issued more than 500,000 payroll payments. Produced and distributed a comprehensive menu of payroll management reports for each of the 24 payrolls. Produced and distributed timesheets to the agencies who report on paper.
3. Provided daily phone and e-mail OSPA user and payroll processing support to agency payroll staff. Collected data from the OSPS-Help e-mail box to glean frequently asked questions and detect themes in agency requests for assistance.
4. Published 12 monthly training newsletters and one special topic newsletter about ordering manual checks.
5. Many sections of the OSPS Reference Manual were updated during this fiscal year. We are committed to the maintenance of these resources so that they provide agency payroll staff with up-to-date reference material as well as accurate system user support. During the year, we updated 24 screen guides and 13 report guides. Ten Recommended Practices were updated and we published 5 new; Donated Leave, Family and Medical Leave, Military Leave, Tax –Corrected W-2s and Tax-Foreign Nationals. Seven Screen Guides were updated and four new were published: Leave-Advance, Leave – Restore Lost, PEBB – Part-Time and Job Share, PERS – Wage and Contribution Adjustments. Our Appendices are updated weekly.
6. Offered training classes: OSPA Overview, Setting Up New Employees, Processing New Employees, Processing Separating Employees, Processing Transferring Employees Introduction to OSPA Reports, Correcting W-2s and Protected Leave in OSPA. Corrected W-2 training was provided several times throughout W-2 season. OSPS staff provided a comprehensive payroll year-end close training as well as published guidance.
7. Awarded the second annual Payroll Silver Star Awards for Payroll Office Innovation and the Gold Star Award for Payroll Excellence.
8. Assisted agencies in many special projects. Served on several recruitment panels. Made numerous agency visits. Provided special agency specific trainings when requested. Conducted monthly customer service phone calls to ask for feedback on performance.

9. Provided a monthly (July – December) quarterly (effective January 2008) customer meeting for agency payroll technicians and managers. Presenters included representatives from the IRS, Oregon Department of Revenue, Oregon Savings Growth Plan, PEBB, the Statewide Internal Controls Officer, DAS HRSD as well as OSPS staff. These payroll forums present relevant information and short trainings on a wide variety of payroll related topics.
10. Produced the annual Compensated Absences Report for SARS and the agencies.
11. Issued 168 regular and special issues of the OSPS E-News providing information about system changes or functionality, payroll processing alerts, new information and reports, announcements of meetings and training events.

Planned Activities

2008-2009 Goals

Key to Goals S: System O: Operational A: Agency Support T: Training

		2008–2009 Objectives	Desired/Expected Outcomes
1	S	System functional and available weekdays 7AM to 6PM and Saturdays 7AM to 3 PM.	System available 95%+ of scheduled hours, fully operational and programmed to meet the needs of the users.
2	S	Explore ways to extend the life of OSPA to maximize our investment and meet user needs	Efficient and effective government infrastructure.
3	S	Modify system for PEBB Plan Year 2009. Ensure continuation of an accurate and secure interface from the pebb.benefits system.	System correctly programmed to process benefit transactions accurately through the receipt of interfaced data.
4	S	Plan and execute the necessary system changes, jobs, reports and tasks necessary to perform 2008 year-end close and implement payroll year 2009. Issue year-end guidance to agencies.	Finalize the payroll year timely and with maximum accuracy for issued W-2s. Assist the agencies in their preparation for year end and assist them in resolving y-t-d errors. Ready OSPA for new payroll year and implement any mandated tax withholding tables.
5	S	Allocate discretionary programming time to the customer designated and ranked planned work projects for FY 09	Customer-driven system changes, edits and upgrades. Focus on customer needs.
6	S	Now that report print job OSPS ASAP is in place, work with Publishing and Distribution toward having that set of payroll management reports sorted, packaged and delivered to the agencies with the paychecks using the same process and security as the checks.	Enhance customer service by providing the agencies with their most-needed payroll management reports immediately after payroll is processed. This method would also provide for secure handling and delivery. This would also decrease the amount of time that OSPS staff devote to report distribution.

		2008–2009 Objectives	Desired/Expected Outcomes
7	S	Plan and implement system modifications to support changes in standards and regulations. Maintain system controls to protect the integrity of statewide payroll data, taking into consideration cost containment	Efficient and effective government infrastructure.
8	S	Continue the project to convert reports used exclusively by the OSPS staff to an electronic format.	Reduce the use of paper.
9	S	Continue to implement the substitution of employee ID number for Social Security Number in all system outputs. Complete project to remove the behind-the-scenes presence of the SSN in the payroll data mart. Retrospectively populate the EIN into the data mart tables that are currently active.	Protect the state's information assets and systems. Protect personal information. Compliance with SB583 and the Statewide Information Asset Transport policy.
10	S	Finalize work on the ACH batching process. Implement a more automated ACH stop process.	Create efficiency and better controls for this process.
11	O	Implement the requirements of policy 107-004-100, Transporting Information Assets.	Security of data and full compliance with the policy.
12	O	Continue weekly programming progress and planning meetings with EAS.	Maintain partnership with our technical resources.
13	O	Provide a cost efficient payroll and payment system for state agencies. Produce timely and accurate paychecks and W-2 forms.	Offer our customers the best processing system and tools and the highest level of customer service.
14	O	Full compliance with all federal and state tax laws related to tax withholding, payments and reporting.	Incur no penalties.
15	O	Debrief 2008 year-end process in February. Use experiences to plan improvements for the following year end.	Ensure that lessons learned and new experiences are captured and used to develop 2009 year-end training. Fosters continuous improvement of the year-end process, training and published resources.
16	O	Accommodate training needs for staff and seek out training opportunities. Encourage leadership at all levels.	Strengthen skills and knowledge; increase our ability to provide high quality service.
17	O	Ensure cross training in all positions. Ensure continuous maintenance of desk manuals.	Increase efficiency, foster shared knowledge, increased functionality and flexibility. Ensure clear and documented procedures.

		2008–2009 Objectives	Desired/Expected Outcomes
18	O	Foster a welcoming, pleasant workplace with a strong focus on productivity and teamwork. Promote a safe workplace	Increase productivity, sense of empowerment and morale. Provide safety for staff and visitors.
19	O	Process timely annual staff performance appraisals.	Provide necessary feedback and the opportunity to plan and set goals.
20	O	Conduct a review of all regular OSPA vendors presently receiving payment via a paper check. Begin individual vendor contact with the purpose of converting them to the use of electronic payments.	Reduce the use of paper checks. Supports sustainability goals. Benefit from the costs savings that result when payments are processed via EFT.
21	O	Use staff meetings to share learning from training events. Ensure that all materials received at training are available to all staff as shared resources.	Make best use of training budget.
22	O	Review, refresh and update policies and procedures in Chapter 45-Payroll and 50-Tax Issues of the Oregon Accounting Manual. Planned for review and update this year are 45.50.00.PO & PR Payroll Overpayments, 45.25.00.PO & PR Salary Advances, 45.07.00.PO Time Record Approval and a policy for Chapter 50 that defines the IRS rules for “accountable plan”.	Ensure policies are relevant, accurate and up to date. Involve agencies in policy setting.
23	O	Ensure that early-cashed paychecks are reported to the agency.	Better internal controls at the agency level. Prevents corrected W-2s when checks are cashed early at year-end.
24	O	Continue to support the use of the AccelaPay Card through the agencies as an alternate to receiving net pay via paper check for state employees who don't participate in traditional banking. Proactively encourage the use of this card as a means to increase overall direct deposit participation beyond the current 84%. Participate with Treasury and US Bank in quarterly conference calls.	Provide an alternate method of direct deposit for state employees. Increase the percentage of direct deposit payroll payments and decrease the use of paper checks. Remain actively involved in statewide discussions about card use, take advantage of learning opportunities and maintain a productive relationship with Treasury.
25	A	Focus attention on continuous improvements in customer service. Provide knowledgeable and timely response to inquiries. Find ways to provide service above expectations. Ensure that communications both written and verbal have a positive and helpful tone. Incorporate customer service training or discussion topics into regularly scheduled staff meetings.	Attain 90% customer satisfaction in the DAS annual customer service survey.

		2008–2009 Objectives	Desired/Expected Outcomes
26	A	Continue the Payroll Gold and Silver Star awards for payroll innovation and excellence. Award in March 2009	Recognize the agencies who achieve excellence in payroll processing and the implementation of innovative improvements in agency payroll offices.
27	A	Continue to update the OSPS Reference Manual project. Planned additions are sections covering Unclaimed Property, Continuation of Benefits for Injured Workers, Processing Transactions for Retiring Employees and Part-Time Employee, Retroactive Pay, Overpayments and The Oregon College Savings Plan Transactions.	Provide one comprehensive statewide payroll resource. Foster continuous learning from online resources.
28	A	Continue random personal phone calls to customers to ask 'how are we doing'?	Solicit feedback on our performance and use responses to ensure continuous improvement of services.
29	A	Present quarterly OSPS Payroll Forums for our agency partners.	Provide relevant information and training to agencies as well as opportunities for customer input, feedback and information sharing. Foster peer networking.
30	A	Continue meetings of OSPS Advisory Council and agency ad hoc committees.	Provides OSPS with a better understanding of agency needs. Builds relationships with customers.
31	A	Continue to make agency visits. Accept all invitations to serve on agency interview panels.	Builds relationships with agencies and helps OSPS to better understand their challenges and needs.
32	T	Implement the use of the Enterprise Learning Management System (eLMS) (iLearnOregon) for OSPS training.	Utilize new technology to manage training course catalog, registration, enrollment, transcripts and administration.
33	T	Offer effective, relevant and well-developed trainings, publications and resources to agency payroll staff.	Support the accuracy of state payroll checks and the integrity of data in OSPA.
34	T	Refresh existing trainings. Identify new training topics or areas of need and develop appropriate trainings or resources. Planned for this year are classes on Research Tools, Payroll Register and Retroactive Entries.	Provide useful and relevant payroll system and payroll transactional training for the agencies.
35	T	Continue monthly issuance of web-based training newsletter.	Provide useful information, highlight upcoming trainings and provide useful and educational information to our customers.
36	T	Deliver year-end training in November	Ensure that system users have up-to-date information and resources to effectively close their payroll year. Support accuracy in the year-end close and data integrity in the W-2 totals.

Performance Measures

We measure performance to ensure that we align our staff and resources with our primary business goals. The following performance measures were adopted July 1, 2001 and will be measured and reported quarterly. All members of the OSPS team play a vital role in achieving these goals.

Objective 1

The Oregon Statewide Payroll Services will provide an efficient and cost-effective payroll system.

Primary Objective Indicator (P) and Supporting Performance Measures (S)	Performance Goal or Measure
(P) Cost per paycheck	\$3.84
(S) Percent of ACH paychecks	More than 80%
(S) Number of Manual Checks Produced	Number of checks produced
(S) Percent of manual checks produced within 24 hours	100%

Accomplishing this objective contributes to the achievement of the Oregon Statewide Payroll Service's goal to provide an efficient system of preparing paychecks for state employees. OSPS will ensure internal accountability by monitoring the productivity and efficiency of its operations. OSPS will hold agency payroll departments accountable for supplying accurate information relating to manual check requests, thereby enabling OSPS to produce the checks in a timely manner. The measurements will be gathered directly from payroll records. Quarterly and annual reports will be used to track progress towards meeting the objective.

Objective 2

Oregon Statewide Payroll Services will provide a timely and accurate payroll system, ensuring compliance with all regulations.

Primary Objective Indicator (P) and Supporting Performance Measures (S)	Performance Goal or Measure
(P) Percentage of W-2Cs produced. (W-2C/W-2s issued)	Less than one percent
(S) Number of months in last quarter IRS or DOR penalties were not incurred.	Three
Number of training hours provided by OSPS staff.	600 hours annually
Number of checks cashed early.	Zero
Numbers of days beyond October 1 that year-end closing instructions are published.	Zero
Average number of days to process monthly savings bond purchases.	Average 4

Accomplishing this objective contributes to the achievement of OSPS's goal to provide an accurate payroll system, thereby ensuring all regulations are met and the needs of both agency payroll staff and state employees are met. OSPS will hold itself accountable for providing agency payroll personnel with timely and accurate training and information. The measurements will be gathered directly from payroll records. Quarterly and annual reports will be used to track progress towards meeting the objectives outlined in this business plan.

Shared Client Services

SCS

**2008–2009
Business Plan**

Table of Contents

This document presents the background and current fiscal year business plan of the Shared Client Services section. It is an effort to plan the work for the current year based on the purpose of the section and a commitment to make the most efficient use of limited resources.

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Mission

“We support the operation of Oregon state government and its agencies by providing the highest level of service to our customer and their constituents. Our mission is to operate effective and efficient accounting, purchasing, and budgeting actions that meet the agency needs, while providing quality customer service.”

“Shared Client Services will support and serve their agencies by providing the system and tools they need to be successful. We will develop our staff and provide customer service and training of agency staff in the use of the best operational practices.”

Vision

We will listen and act responsibly to provide excellent customer service to our Client Agencies. We will demonstrate self-directed professionalism, teamwork, and accountability as we strive to balance customer needs and available resources.

We will demonstrate our vision in the following manner:

Customer Service: Shared Client Services will work with individuals and groups to deliver services that consistently meet customer’s needs, sustain an attitude of commitment to customer satisfaction, build and maintain employee empowerment, strive for continuous improvement, and respect state employees and the ways they value and perceive their contributions and accomplishments.

Communications: Shared Client Services will emphasize convenience and simplicity in the development and use of modern and rapid communications to provide value-added operational and financial management information to our customers.

Technology: Shared Client Services will seek a competitive position through the use and application of technology in order to better serve our customers. We will strive to be innovative and incorporate new technology into our work.

Staff Development: Shared Client Services will build on its knowledge, skills, and experience base by maintaining a learning environment which encourages staff to seek out learning experiences and share them with their customer base. We will empower our staff to learn new skills and keep up with changing technology. We will employ leadership at all levels.

Philosophy

Shared Client Services values integrity, competence, and professional conduct and makes contributions that improve our customers’ ability to do their job. We will be creative in finding solutions to problems, be open to new ideas, and willing to take risks. We will be truthful in our communications and use Generally Accepted Accounting Principles (GAAP) as a standard to present financial information fairly and in a uniform manner. We recognize the interdependence necessary to achieve goals and work as a team to accomplish more than we can do as individuals.

The employees of Shared Client Services traditionally hold in high regard the values of confidentiality and timeliness and the pursuit of 100% accuracy. Our staff members also share these other values:

- Integrity, honesty and trust
- Open communications
- Attention to detail
- Technical competency
- Service and accessibility
- Accountability
- Flexibility
- Dedication
- Innovation
- Professionalism
- Teamwork
- Customer Service

Purpose

Our purpose is to maintain and operate a flexible and efficient system to provide administrative management and support to Client Agencies and the Governor's Office. We provide the system, resources, and support the agencies need to complete their tasks. These functions include accounting services, financial planning, and budgeting services. These services include establishing and linking accounting structures to support financial information needs; processing budgetary, accounting, payroll and payment transactions; reporting financial information to Agency management; assisting and supporting in budget planning and execution; and meeting statewide financial information reporting requirements. Our purpose also is to provide the resources to assist agencies in the use of the systems, give training to new agency employees, share information, and provide daily customer service and support to our client agencies.

Customers

Our customers are primarily the small agencies, boards and commissions of the State of Oregon. We work in conjunction with Secretary of State Audits Division, the State Treasury, DAS Budget and Management Division, DAS State Services Division, DAS Human Resource Services Division, DAS Operations, and all sections within the State Controller's Division.

Services

We provide the necessary tools and services that enable agencies to complete their work objectives; ensure that limited resources are applied to meet high priority goals and objectives; ensure that work is planned, resources are coordinated and available, and that a system of accountability and reporting is in place to evaluate progress, adjust plans, and learn from mistakes; provide timely, accurate and meaningful information concerning budgets and legislative proposals; provide prompt, courteous responses to agency questions and requests for information; assume a leadership role in resolution of issues or projects; represent DAS in a professional and competent manner; include customers in the policy and decision making process; and execute regulatory functions fairly and consistently.

Resources

Our employees are our most important resource. Employees in Shared Client Services must be educated, skilled, and experienced in governmental accounting, budgeting, financial reporting and analysis, automated accounting systems, and desktop software. All staff members are skilled in a variety of desktop software and the use of mainframe, Internet, and PC based systems. In addition, each staff member strives to provide the highest level of service and information to our customers. Staff members are committed to attend financial and technical training to improve their individual skills.

FTE Resource Allocation

Function	Shared Client Services Staff						Total FTE
	Manager Gene Berger	Client Accountant Suzanne Primm	Client Accountant Lora Carson	Client Accountant Opal Bontrager	Accts Pay Vicki Lewis	Accts Pay Darlene Moye	
Performance Management	8%	1%	1%	1%			0.11
Agency Support Budgeting	17%	15%	20%	35%			0.87
Agency Support Accounting	15%	27%	22%	16%			0.80
Agency Support Accts Payable	20%	9%	9%	7%	68%	36%	1.49
Agency Support Treasury	2%	4%	12%	18%			0.36
Agency Support Payroll		1%	1%	1%			0.03
Agency Support YE Close/CAFR	2%	4%	4%	4%			0.14
Agency Support Distribution	3%	3%	4%	2%	7%	2%	0.21
Accounting Policy – OAM/ORS	10%	1%	1%	1%	11%	5%	0.29
Special Projects	12%	22%	14%	2%			0.50
Training	1%	2%	2%	3%	7%	4%	0.19
Meetings – Internal/External	10%	11%	10%	10%	7%	3%	0.51
Total	100%	100%	100%	100%	100%	50%	5.50

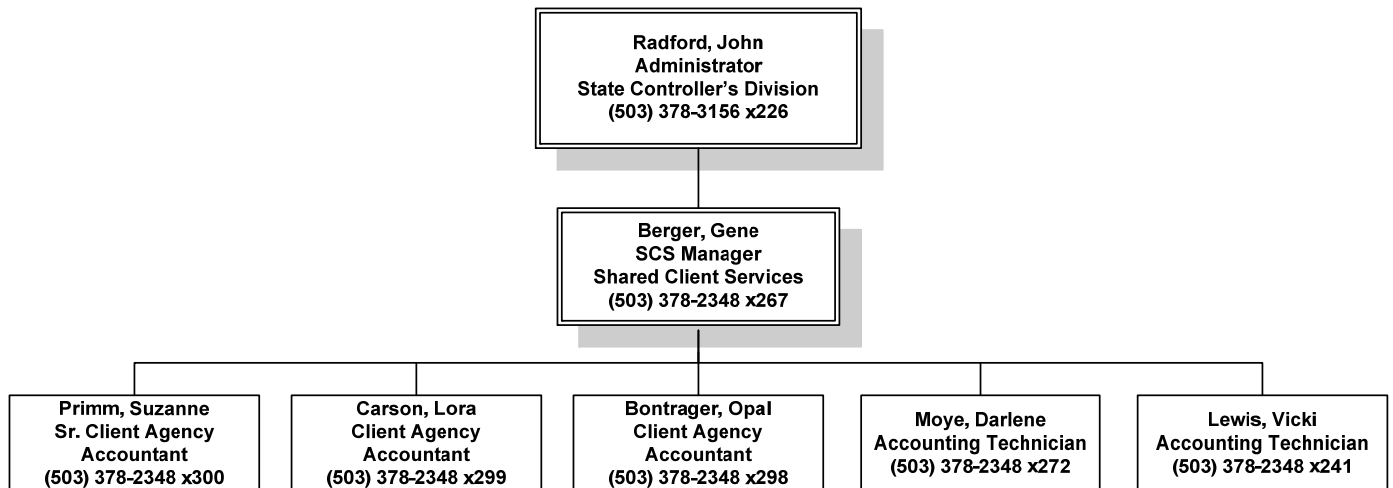
Authority

- ORS 283.110** Furnishing by state agency to another state agency of services, facilities and materials. (1)(2)
- ORS 291.015** Fiscal responsibilities of department; delegation of fiscal functions. (1)
- ORS 291.016** Making administrative and organizational surveys.
- ORS 291.100** Financial management; duties of Oregon Department of Administrative Services; duties of state agencies. (2a)(2b)(3b)
- ORS 291.208** Filing budget forms with department.
- ORS 293.590** Department to supervise state agency accounting; furnishing accounting services.

Organization

The Shared Client Services section reports to the Administrator of the State Controller's Division (SCD) in the Department of Administrative Services (DAS).

We have 5.5 full-time positions.



Goals and Objectives

Objectives	Results
Develop and provide ad hoc reports for agencies in a desired format, delivered to a desired location, and in a reasonable period of time.	Provide the agencies the necessary information in a timely fashion.
Document procedures for the starting-up and closing-down of client agencies.	Ensure accurate procedures for setup and separation of Client Agencies.
Continue to improve our communications with our agencies and within DAS divisions.	Guarantee a smooth operation and that information is shared with all parties.
Maintain an Interagency agreement that defines and clarifies what duties Shared Client Services will perform, and what the Agency is responsible to perform.	Provide a clear understanding of SCS services for Client Agencies' staff.
Obtain additional resources to provide assistance to "other" small agencies at the direction of BAM and the Director's Office.	Assist agencies with timely and accurate fiscal reporting, and provide excellent customer service from DAS and SCD.
Continue to provide Client Agency training in areas of budgeting, personnel, payroll, accounts payable and receivables, travel, personal service contracts and State audits.	Provide a greater knowledge of operational standards for Client Agencies.
Create an orientation package for new agency Directors and fiscal staff.	Ensure a smooth transition.
Continue to promote electronic distribution of reports and find other ways to reduce paper reports and the number of reports to the agencies.	Promotes vision for economy and sustainability in State government.
Provide assistance to the Client Agencies on accounting and reporting issues and State policies.	Ensure Client Agencies have the tools for compliance and accountability.
Initiate agency service charges based on documented methodology.	Provides fair and equal service charges.
Develop customer service outreach program—visits with clients, customer surveys, and training on policies and procedures.	Gives SCS a better relationship with the Client Agencies and provides a way to learn their individual needs for success.
Employee retention—attract and select candidates that best match the workforce and culture needs of SCS.	Ensure a stable and cohesive staff to provide our services.
Create a business plan and an analysis of work activities for Shared Client Services.	Provides a definition and blueprint for the success of SCS.
Create and maintain operational desk manuals within the department and promote a safe workplace environment.	Ensure an organized and knowledgeable unit with documented procedures available for the success of the staff.
Accommodate training needs and opportunities for staff; ensure BRIO and Datamart training.	Ensure staff has the necessary tools to successfully complete their duties.

2007–2008 Performance Measures

We measure performance to ensure that we align our staff and resources with our primary business goals. Our performance measurements were established July 1, 2001 and will be measured and reported quarterly.

Objective 1. Shared Client Services strives to provide accurate and effective accounting and budgeting services to Client Agencies.

Primary Objective Indicator and Related Performance Measure
Objective: Percentage of Accountants Receiving Gold Star Certification
PM No. 1-1: Percentage of Client Agencies receiving Gold Star Certification
PM No. 1-2: Percentage of CAFR submissions requiring no further action
PM No. 1-3: Percentage of ORBITS/PICS transmittals submitted to and accepted by BAM by deadline
PM No. 1-4: Percentage of allotment plans returned from agency within 2 weeks

QTR	TARGET	Results
1	N/A	N/A
2	N/A	N/A
3	100%	100%
4	N/A	N/A

Objective reported annually

RESULTS	TARGET	QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL RESULTS
PM 1-1	100%	N/A	N/A	100%	N/A	100%
PM 1-2	100%	100%	N/A	N/A	N/A	100%
PM 1-3	100%	N/A	100%	100%	100%	100%
PM 1-4	100%	100%	100%	100%	100%	100%

Accomplishing this objective contributes to the achievement of Shared Client Services' goal to provide the financial planning and services the Client Agencies require. SCS will ensure internal accountability is maintained by measuring the accuracy, timeliness, and efficiency of services provided. SCS will hold Client Agencies accountable by monitoring the use of resources and the accuracy and timeliness of agency financial reporting. The measurement will be gathered directly from SCS and agency financial reports and monthly time log reports. Quarterly and annual reports will be used to track progress towards meeting the objective.

Objective 2. Shared Client Services will provide Client Agencies with support and information they need in a timely manner.

Primary Objective Indicator and Related Performance Measure
Objective: Percentage of Client Agencies “Satisfied” or “Very Satisfied” with SCS Services
PM No. 2-1: Average number of days to process agency invoices
PM No. 2-2: Percentage of agency Brio reports distributed within two working days
PM No. 2-3: Number of agencies requesting duplicate financial reports

QTR	TARGET	Results
1	N/A	N/A
2	N/A	N/A
3	N/A	N/A
4	N/A	N/A

Objective reported biennially

RESULTS	TARGET	QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL RESULTS
PM 2-1	5	1.66	2.60	2.14	1.91	2.08

RESULTS	TARGET	QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL RESULTS
PM 2-2	100%	100%	100%	100%	100%	100%

RESULTS	TARGET	QTR 1	QTR 2	QTR 3	QTR 4	ANNUAL RESULTS
PM 2-3	0	0	0	0	0	0

Accomplishing this objective contributes to the achievement of Shared Client Services’ goal to provide the support Client Agencies need to plan for and respond to their customers’ needs. SCS will ensure internal accountability by monitoring the quality of assistance offered to agencies along with the timeliness of their responses. Client Agencies will be held responsible for tracking and accounting of important agency financial information. The measurement will be gathered directly from SCS and agency financial reports. Quarterly and annual reports will be used to track progress towards meeting the objective.

2007–2008 Accomplishments

1. All 28 Client Agencies and all 3 SCS Accountants received the annual Gold Star certificate.
2. We have visited or conferred with over 95% of all client agencies, and have provided individual and group operational trainings with all their new fiscal staff.
3. Successfully established and maintained an allotment plan for the client agencies.
4. Successfully supported all 28 client entities with excellent accounting and budgeting services.
5. Provided a paperless form of monthly fiscal reporting to the Client Agencies through the Hyperion/BRIO Scheduler on the web, and reduced the number of paper reports produced.
6. Have successfully transitioned and informed 8 new directors and fiscal managers in regards to our SCS system.
7. Processed client agencies accounts payable transactions within a 2-day turnaround.
8. Tracking 195 legislative bills pertinent to our Client Agencies as well as those affecting the SCS section and the SCD division.
9. Assisted all our Client Agencies in achieving compliance to the LFO/SFS 'liquidated and delinquent' accounts receivable reporting.
10. Provided a diverse working environment that supports individuals and teamwork alike.
11. Maintain an excellent working relationship with our Client Agencies.
12. Updated the Shared Client Services business plan, and accomplished all our section Performance Measures with an outstanding rating.
13. Received some outstanding comments on the DAS Customer Survey.
14. Updated the SCS website with contacts, links and information for the Client Agencies.
15. Communicated by e-mail and list server to Client Agencies to apprise them of information regarding legislation, policies and procedures for State operations.
16. Maintained an open and effective line of communications with the Budget and Management division.
17. Participated in the developmental discussions of division performance measures and annual business plan.
18. Regularly attended the Small Agency meetings.
19. Completed all staff performance appraisal in a timely manner per SCD standards.
20. Staff members have attended all required trainings and other various job-related classes.
21. Provided fiscal data to Client Agencies and requests from BAM/LFO/Legislature.
22. Worked with the Dept of Water Resources to transfer the Water Resource Loan Program (Ag#990) back into their agency.

Statewide Accounting & Reporting Services

SARS

**2008–2009
Business Plan**

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This document presents the background and current fiscal year business plan of Statewide Accounting and Reporting Services. It is the result of efforts to plan work for the current year based on the purpose of the section and a commitment to make the most efficient use of limited resources.

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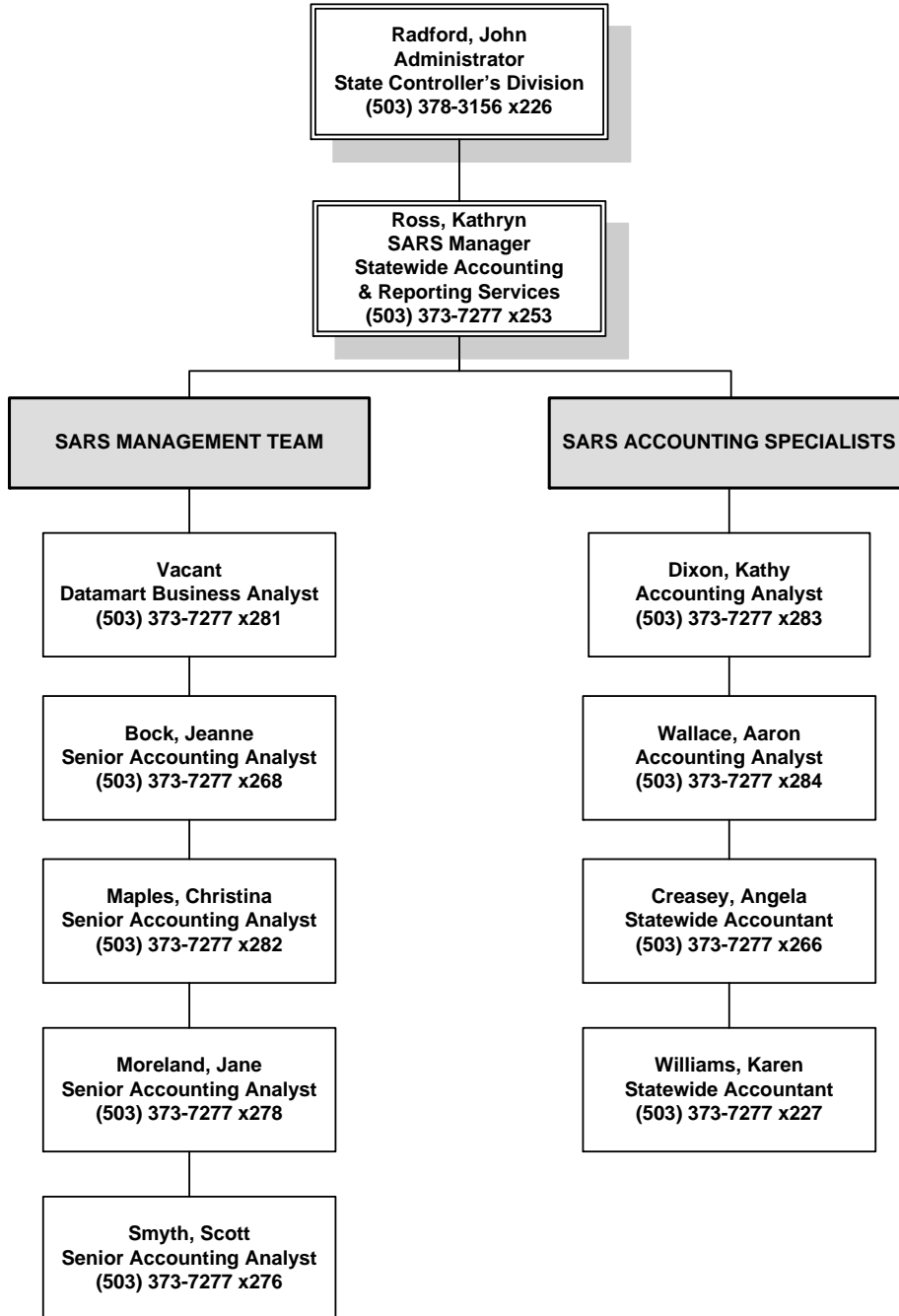
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Foundation

Organization

Statewide Accounting and Reporting Services (SARS) is a section within the State Controller's Division, which is part of the Department of Administrative Services. SARS has evolved over the years in continual efforts to maximize effectiveness and to meet the challenges of a constantly changing work environment. SARS has 10 full-time positions. We rely upon staff in State Controller's Division Administration for needed administrative support. The organization of SARS and the individual employees within the positions are critical to the success of accomplishing the objectives in our business plan.



Legal Authority

The following laws, regulations, and professional standards establish the foundation for SARS' existence.

Oregon Statutes

ORS 291.015 – Fiscal responsibilities of department; delegation of fiscal functions. The Oregon Department of Administrative Services, under the direction of the Governor and as provided by law, is responsible generally for the administration and coordination of internal accounting and other affairs, controls, procedures, and services of a fiscal nature of the state government and agencies thereof.

ORS 291.040 – State financial report. Within 180 days of the close of each fiscal year, the Oregon Department of Administrative Services shall prepare a financial report for the State of Oregon. The report shall contain financial statements which fairly present the financial condition and results of operation of the State of Oregon in accordance with current, generally accepted accounting principles and such other financial and statistical information as may be necessary to completely and accurately disclose the financial condition and financial operations of the state and its various agencies.

ORS 291.445 – Certification of amount available to pay debt. Each year, the Department of Administrative Services shall request from the appropriate state agencies a certificate that amounts are or are not available to pay general obligation debt payments during the following year.

ORS 293.075 – “Encumbrances” to be defined by department. The Oregon Department of Administrative Services may adopt rules and regulations defining “encumbrances” and the manner in which they are to be charged to appropriations and expenditure limitations.

ORS 293.590 – Department to supervise state agency accounting; furnishing accounting services. The Oregon Department of Administrative Services shall direct and control the accounting for all the fiscal affairs of the state government and agencies thereof, and shall provide for the maintenance of accounting records, including accounts stated in summary or in detail, for those fiscal affairs. The department is responsible for establishing and maintaining systems of accounting for state government and agencies thereof. The principles, standards, and related requirements of those systems of accounting shall be as prescribed by the department and except as otherwise provided in this section, shall be used by the state agencies thereof, unless otherwise directed by the department.

ORS 293.600 – Financial and statistical reports by state agencies. The Oregon Department of Administrative Services may require periodic and special financial reports from all state agencies, upon forms that the department prescribes, in order to assist the department in performing its fiscal functions.

Federal Regulations

Governmental Auditing Standards issued by the Comptroller General of the United States. State accounting information and related financial reports are subject to audit by Secretary of State, Audits Division. Audits Division conducts the annual audit in accordance with federal auditing standards. These standards provide reasonable assurance that the financial reports are free of material misstatement.

OMB Circular A-87 – Cost Principles for Federal Financial Assistance Programs. The State of Oregon and its agencies, boards, and commissions are required to follow specific principles for determining the allowable costs incurred by the state under grants, cost reimbursement contracts and other agreements with the federal government. These principles also govern provisions for state cost allocation plans and indirect cost rate plans.

Single Audit Act and OMB Circular A-133. The State of Oregon and its agencies, boards, and commissions must provide certain financial information on an annual basis to demonstrate compliance with federal laws and to ensure eligibility to receive federal funding.

Cash Management Improvement Act. The State of Oregon and its agencies must follow regulations governing the transfer of funds between the federal government and the state. The state must minimize the time that elapses between the transfer of federal funds and the pay out of funds for program purposes, and exchange interest earned on funds where funds are not transferred in a timely manner.

Amendments to Securities and Exchange Commission Rule 15c2-12. As an issuer of debt securities, the State of Oregon is required to file certain financial and operating information on an annual basis with nationally recognized municipal securities information repositories.

Internal Revenue Code. The state is required to comply with arbitrage rebate regulations and various other tax regulations.

Accounting and Financial Reporting Standards

Generally Accepted Accounting Principles (GAAP). The State of Oregon follows recognized standards of accounting and financial reporting to present financial information fairly and in a uniform manner, to demonstrate compliance with legal requirements, and to meet the needs of financial information users. Accounting and reporting standards are promulgated by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and the Government Finance Officers Association, through issued statements, interpretations, technical bulletins, implementation guides, concept statements, and other published documents.

Resources

Staff

Our employees are our most important resource. Employees in SARS must be educated, skilled, and experienced in governmental accounting, financial reporting and analysis, accounting systems, and desktop software. As of July 2008, of the 10 positions in SARS (one is vacant), 7 staff members have four-year college degrees, 2 are Certified Public Accountants (CPA), one holds an inactive CPA certificate and a third employee is working towards his certification. Collectively, the staff has about 29 years of experience in SARS. All staff members are highly skilled in various desktop software and use mainframe, Internet, and PC-based systems on a regular basis.

Core Values

The nature of SARS' responsibilities requires technical competency, accuracy, and timeliness to be highly valued. The fundamental core values that define the basis of SARS' work culture include the following:

Accountability	Flexibility	High ethical standards
Technical competency	Leadership	Professionalism
Accuracy and timeliness	Teamwork and cooperation	Service and accessibility
Dedication	Open communication	Personal initiative
Proactive approach	Collaboration	Creativity
High quality product	Integrity, honesty and trust	

SARS is very fortunate to have excellent people. SARS team members follow through on commitments, take initiative to resolve issues and problems, and are productive and effective. They provide services in a courteous, timely, and professional manner, while maintaining technical knowledge. We use our

business plan, milestone schedules, and individual action plans to document detailed expectations and monitor our success.

Purpose

Purpose Statement

Statewide Accounting and Reporting Services exists to provide statewide leadership and effective accounting and financial reporting services, provide high quality customer consultation, and ensure statewide compliance with state and federal fiscal reporting requirements.

Key Functions

The principal responsibilities of SARS are summarized in the following general categories:

- **Accounting Policy** - Statewide development and coordination of accounting, financial reporting, and fiscal management policies and procedures in accordance with Generally Accepted Accounting Principles (GAAP), federal regulations, and state laws.
- **Agency Support** - Professional assistance provided to agencies through policy guidance, training, and consultation services. Agency support also includes administration of the statewide travel card program.
- **Year End Closing** - Statewide coordination of fiscal year end adjustments to prepare accounting records for statewide audit and financial report completion.
- **CAFR Preparation** - Compilation of statewide financial statements and associated note disclosures in accordance with GAAP and in coordination with the statewide audit process to ensure a clean audit opinion.
- **Datamart Management** - Development and support of automated ad hoc reporting capabilities for state agencies using extracted data from statewide financial systems.
- **Federal Compliance** - Statewide coordination of federally mandated fiscal accounting, reporting, and monitoring requirements. This includes preparation of the Statewide Cost Allocation Plan, the Schedule of Expenditures of Federal Awards, the Summary Schedule of Prior Audit Findings, the CMIA Treasury-State Agreement, and the CMIA Annual Report. It also includes coordination of subrecipient monitoring which is performed by agencies.
- **Other Reporting** - Preparation of various statewide financial reports and development of specific financial reporting processes.
- **Performance Management** - Professional development of staff, implementation of business process improvements, and monitoring section performance measures.
- **Systems Support** - Financial systems security administration to provide users with access to statewide financial systems and systems support.

Specific responsibilities under each function are described in detail within the Business Plan Objectives section.

Stakeholders

Key to the success of SARS is our recognition and respect for our stakeholders. Stakeholders fall into four categories: investors, customers, employees, and other stakeholders. Investors are those individuals, groups, and entities that have purchased bonds and other debt instruments issued by the state. Customers are those individuals, groups, and entities that use the services provided by SARS. Employees are the SARS employees who dedicate their time and effort to support the values and

provide the results pursued by the other stakeholders. The quality and value of SARS work product is enhanced when SARS participates in various team efforts and cooperates with other stakeholders. Our stakeholders are listed below.

Citizens of the State of Oregon	Governor of the State of Oregon
Director, Department of Administrative Services	Oregon State Legislature
Administrator, State Controller's Division	Other Central Financial Services Agencies:
Employees of the State Controller's Division:	<i>Department of Revenue</i>
<i>Administration</i>	<i>Secretary of State, Audits Division</i>
<i>Statewide Accounting & Reporting (SARS)</i>	<i>Oregon State Treasurer</i>
<i>Statewide Financial Mgmt Services (SFMS)</i>	<i>Legislative Fiscal Office</i>
<i>Oregon Statewide Payroll Services (OSPS)</i>	Fiscal Offices - All State Agencies
<i>Statewide Financial Services (SFS)</i>	Local Governments and Special Districts
<i>Shared Client Services (SCS)</i>	Other State Governments
Other Divisions of DAS:	Educators
<i>Director's Office</i>	Federal Government
<i>Budget and Management Division</i>	Private Investors and Investment Advisors
<i>Facilities Division</i>	CPA Firms
<i>State Services Division</i>	Bond Rating Agencies
<i>Operations Division</i>	Oregon State Fiscal Association (OSFA)
<i>Human Resource Services Division</i>	Government Finance Officers Association (GFOA)
<i>Enterprise Information Strategy and Policy</i>	National Association of State Controllers (NASC)
<i>State Data Center</i>	Governmental Accounting Standards Board (GASB)

Prior Year Achievements

2007/2008 Accomplishments

1. Updated the Agency Guide to Year End Closing.
2. Developed and presented training on seven new accounting standards (GASB Statements No. 45 and 47 through 52).
3. Worked with DAS Technology Support Center to test data import process for Fundware and refine process documentation; performed account maintenance in Fundware to add operating statement accounts for the new biennium.
4. Performed a thorough review of disclosure requirements for deposits and investments to address auditor concerns; developed a framework for note compilation that ensures all GAAP requirements are met and supporting detail is complete and organized logically; worked with Treasury on timeline for Treasury-provided information; updated compilation procedures to reflect these improvements.
5. Revised SEFA disclosure forms for non-cash assistance programs to clarify information needed for compliance with disclosure requirements.
6. Worked with DHS and BAM to develop additional comptroller objects necessary for DHS implementation of standard SEFA reporting; revised SEFA Repository reports and updated OAM 15.42.00 to reflect the changes.
7. Revised existing general disclosure forms and debt disclosure forms to gather information for the 2008 CAFR season; added information needed to implement GASB Statement No. 49 related to pollution remediation obligations and GASB Statement No. 51 related to intangible assets.
8. Analyzed nonmajor enterprise fund activity to determine reasonableness of CAFR presentation in combining statements. Modified the GAAP funds presented for FY2008 CAFR reporting based on conclusions reached.
9. Prepared for implementation of GASB Statement No. 45 on Other Postemployment Benefit (OPEB) Plans by developing pro-forma financial statements, note disclosures, and schedules of Required Supplementary Information. Implemented those sections of GASB Statement No. 47 on accounting for termination benefits that were required to be implemented in conjunction with GASB Statement No. 45.
10. Continued planning for implementation of GASB Statement No. 48 (sales or pledges of receivables or revenues). Developed pro-forma note disclosure for the CAFR and worked with individual agencies affected to ensure that necessary information will be provided for the CAFR.
11. Continued planning for the implementation of GASB Statement No. 49 (pollution remediation obligations).
12. Prepared for the implementation of GASB Statement No. 50 on Pension Disclosures; developed a note template for agency level financial reporting and provided it to those agencies that prepare audited financial statements.
13. Developed an implementation plan for GASB Statement No. 51 (intangible assets).
14. Began planning for the implementation of GASB Statement No. 52 (land and other real estate held as investments by endowments).
15. Reviewed the Federal Funding Accountability and Transparency Act (FFATA) to determine impact on state agencies; continued to monitor developments during the pilot project stage.

16. Continued work on the business case to explore the feasibility of moving from weekly to daily updates of data for the Datamart.
17. Completed work with ORBITS project staff to add new table to the Datamart for budget data. Added a budget query to the Datamart Repository reports.
18. Developed training materials for Intermediate Hyperion Training class and conducted several Basic Hyperion training sessions for Datamart users.
19. Facilitated quarterly Datamart User Group meetings to share information (October 2007).
20. Published the *Datamart Connection* newsletter and posted monthly to web site (through January 2008).
21. Provided financial data and charts needed for the DAS Citizen Centric Report.
22. Provided monitoring and follow-up for statewide Travel Card Program and Central Travel Services Program (CTS).
23. Participated in Business Continuity planning and testing.
24. Reviewed exposure drafts on proposed changes to accounting standards and provided written responses.
25. Reconciled FY 2007 fund equity from CAFRS to R*STARS for all GAAP fund types.
26. Compiled and submitted FY 2007 statewide cost allocation plan for 2008-2009.
27. Negotiated with DHHS on 2007-2008 and 2008-2009 statewide cost allocation plans.
28. Administered Gold Star Certificate program to recognize successful agencies.
29. Developed and presented training for agency fiscal staff on year end closing.
30. Completed the FY 2007 CAFR within statutory deadline with unqualified audit opinion.
31. Completed FY 2007 Schedule of Expenditures of Federal Awards in accordance with A-133.
32. Notified agencies of subrecipient monitoring assignments and tracked agencies' progress.
33. Completed the federal reporting package for the FY 2007 statewide single audit and submitted the appropriate materials to the federal government within required deadlines.
34. Updated necessary tools for FY 2008 reporting including forms, queries, and reports. Revised compilation procedures for financial statements, notes, and statistics as needed.
35. Updated procedures for the monthly manual payroll check reconciliation and the Travel Card program to ensure that personal information is protected in accordance with *DAS Internal Policy 107-01-180 – Information Asset Classification and Transportation*.
36. Amended the CMIA agreement and submitted the annual CMIA report.
37. Prepared annual Statewide Property Tax Levy Certification.
38. Compiled arbitrage certifications and sent to State Treasury.
39. Coordinated semi-annual agency security reviews; developed and implemented the new ADPICS Approval Path report for the security review
40. Staff attended various training sessions to maintain current skills and knowledge.
41. Provided agency fiscal staff with professional consultation and guidance as needed.
42. Provided support and technical assistance for use of the Datamart.
43. Posted updated statewide balancing reports to the internet for agency use.
44. Prepared quarterly financial statements for the General Fund.

45. Worked with agencies to request needed t-code and profile changes through SFMS.
46. Completed fiscal year 2007 US Census reporting.

Planned Activities for Fiscal Year 2009

Goals

SARS activities are based on broad goals and specific business plan objectives. The goals of SARS are to:

- Provide leadership in establishing and implementing statewide financial accounting and reporting policies, soliciting agency feedback and input (through e-mail, work groups) as part of the process.
- Effectively manage and coordinate financial reporting activities to ensure compliance with federal regulations and state laws on a statewide basis.
- Produce accurate and timely financial reports in accordance with GAAP and GFOA Certificate of Achievement standards.
- Monitor statewide financial controls, provide professional consultation on statewide financial management issues, and ensure consistency in accounting policies and procedures on a statewide basis.
- Provide high quality customer assistance through a knowledgeable staff and efficient use of office tools and processes; improve efficiency of statewide accounting and reporting processes.
- Maintain a positive and productive work environment that supports continuous improvement.
- Provide effective training to agencies on financial accounting and reporting issues.
- Effectively manage and monitor financial systems security to ensure that information assets are safeguarded.
- Provide statewide leadership for management and improvement of the Datamart; promote efficient and effective use of the SCD Accounting Datamart and the Payroll Datamart.

2008/2009 Resources by Key Function

In view of SARS' goals, the schedule below shows the key functions of SARS, the percentage of time devoted to each key function by staff position, and the total FTEs assigned to each key function in 2008/09. The most significant annual function of SARS is the statewide year end closing process and preparation of the Oregon CAFR.

Function	Manager Kathy R.	OPA 4 Vacant	Acct 4 Jeanne	Acct 4 Jane	Acct 4 Christina	Acct 4 Scott	Acct 3 Kathy D.	Acct 3 Aaron	Acct 2 Angela	Acct 2 Karen	Total FTE
CAFR Preparation	20%		30%	28%	25%	28%	30%	30%	25%	25%	2.41
Year End Closing	10%		20%	20%	15%	25%	20%	20%	25%	20%	1.75
Accounting Policy	20%	3%	15%	20%	5%	10%	5%	5%	3%	3%	0.89
Agency Support	10%	20%	15%	23%	28%	25%	25%	28%	20%	25%	2.19
Federal Compliance	5%		10%	2%	20%		5%	13%			0.55
Systems Support	5%	8%	8%	5%	5%	10%	13%	2%	25%	25%	1.06
Performance Management	20%	2%	2%	2%	2%	2%	2%	2%	2%	2%	0.38
Datamart Management	5%	67%									0.72
Other Reporting	5%										0.05
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	10

Based on this resource allocation, SARS expects to complete the 2008/09 business plan objectives listed below. We measure SARS' success by our ability to complete the work in quality form by assigned due dates.

2008/2009 Business Plan Objectives

Our annual business plan is based on our purpose and goals. During fiscal year 2009, we will work on several important objectives. We will plan for the successful implementation of new GASB statements that have been issued, such as: GASB Statement No. 49 on accounting and reporting for pollution remediation obligations; Statement No. 51 on intangible assets; and Statement No. 52 on land and other real estate held as investments by endowments. If the new Oregon Educators Benefit Board has an other postemployment benefits (OPEB) plan (or plans) to report, we will implement Statement No. 43 reporting requirements needed for the FY 2009 CAFR, unless the OPEB plans are not established until after June 30, 2009.

We will continue to work with Audits Division, OST and other agencies when new, complex disclosures are required and will develop a framework for note compilation that ensures all GAAP requirements are

met, supporting detail is complete and organized logically, and that compilation procedures are updated. For FY 2009, our major disclosure challenge is GASB Statement No. 49.

We will continue to work with the State Data Center to migrate the Datamart to a more robust server to meet the growing needs of Datamart users. Also, we will continue to coordinate with Enterprise Application Services (EAS) and State Data Center to upgrade the DB2 software used for the Datamart. Testing with agencies (level 2) began in January; the implementation date is estimated to be sometime between June and December 2008.

We will continue working with EAS on the business case that we began developing in FY06 to determine the feasibility of moving from weekly to daily updates of data for the Datamart. If this project is determined to be feasible, we will move forward to plan for implementation of daily updates. In addition, we will work with agencies one-on-one to migrate their reports to version 8.3 of the Datamart On-Demand Server.

We will provide training to agencies on the GASB standards to be implemented in FY 2009. In addition, we plan to provide refresher training in areas requested by agencies, such as accounting and reporting for long-term debt, capitalization and depreciation of assets, and year end revenue and expenditure/expense accruals. We will also provide training to Agency Security Officers on the standardized procedures for authorizing access to statewide financial systems. Finally, we will investigate alternative methods for training delivery, including outside contractors.

We plan to begin a long-term project to examine all of our processes. By asking ourselves what took too long; what caused complaints; what was misunderstood; what was wasted; what was too complicated or involved too many people or too many actions, we hope to become more efficient and effective. We will start by reviewing and updating the process documentation and user manual for Fundware, the financial reporting software application used for the CAFR compilation. We also plan to explore how we can obtain more timely notification when user access has been revoked for employees who have no mainframe access, but have Datamart access only.

Business plan objectives are outlined below by key functions and include related business goals.

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
Accounting Policy	1	Develop or revise OAM policies and procedures as needed; coordinate updates of policies initiated by other sections within SCD.	Provide leadership in establishing and implementing statewide financial accounting and reporting policies.	High	Ongoing	
	2	Review exposure drafts on proposed changes to accounting standards and prepare response comments on behalf of the state.	Provide leadership in establishing and implementing statewide financial accounting and reporting policies.	Medium	Ongoing	
	3	Interpret OAM policies and provide advice to agencies on fiscal management issues.	Provide professional consultation on statewide financial management issues.	Medium	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	4	Work with DAS Labor Relations to finalize the revised Statewide Travel Policy.	Provide leadership in implementing effective statewide policies.	High	Jan 2009	May 2009
Agency Support	5	Provide agency assistance with accounting, reporting, and audit issues and application of accounting policies, including agency visits and management of customer relationships.	Provide professional consultation on statewide financial management issues; statewide consistency in accounting policies and procedures.	High	Ongoing	
	6	Provide agency support for management of the travel card program; serve as central contact between agencies and US Bank.	Provide high quality customer assistance.	Medium	Ongoing	
	7	Hold periodic customer meetings and provide training on accounting issues when needed.	Effective customer training and involvement.	High	Ongoing	
	8	Provide resources for agencies through the SARS web site, including quarterly statewide balancing reports, a link to the OAM and the Agency Guide to Year End Closing.	Provide high quality customer assistance.	Medium	Ongoing	
Year End Closing	9	Coordinate annual preclosing and year end closing review and provide assistance to agency fiscal staff with accounting and reporting issues.	Provide professional consultation on statewide financial management issues.	Highest	May 2008	Aug 2008
	10	Conduct annual training for agency fiscal staff on year end closing processes.	Effective customer training and involvement.	High	June 2008	July 2008
	11	Maintain and administer Gold Star Certificate program.	High employee morale through achievement, prestige and recognition.	High	July 2008	Oct 2008

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	12	Update year end schedules within Agency Guide to Year End Closing.	Procedures that facilitate preparation of CAFR.	High	April 2009	May 2009
	13	Debrief annual year end closing process with team.	Continuous business process improvement.	Medium	Sept 2008	Oct 2008
	14	Research changes to note disclosure requirements; coordinate with component units.	Processes and procedures that facilitate preparation of CAFR.	Highest	Jan 2009	April 2009
	15	Update disclosure forms for FY 2009 reporting based on changes to note disclosure standards.	Processes and procedures that facilitate preparation of CAFR.	Highest	Jan 2009	May 2009
CAFR Preparation	16	Prepare annual Oregon CAFR and Budgetary Statement of Legal Compliance (BSLC).	Accurate, useful financial information in conformity with GAAP; compliance with laws.	Mandatory	Sept 2008	Dec 2008
	17	Coordinate statewide audit activities with Audits Division; obtain clean opinion on CAFR.	Accurate, useful financial information in conformity with GAAP; compliance with laws.	Highest	July 2008	Dec 2008
	18	Apply for and earn GFOA Certificate of Achievement for Excellence in Financial Reporting.	High employee morale through achievement, prestige and recognition.	Highest	Dec 2008	Dec 2008
	19	Debrief annual CAFR preparation process with SARS and Audits Division.	Improve efficiency of statewide reporting processes.	Medium	Jan 2009	Feb 2009
	20	Put annual CAFR on the Internet.	Efficient processes that facilitate the availability of financial data.	High	Jan 2009	Jan 2009
	21	Update procedures for notes and fund compilations in preparation for FY 2009 reporting.	Processes and procedures that facilitate preparation of CAFR.	High	Jan 2009	June 2009

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	22	Review GAAP fund assigned to new R*STARS D23 fund profiles.	Facilitate preparation of financial data in accordance with GAAP.	Medium	Ongoing	
	23	Work with SFMS to implement new profiles and/or t-codes needed for new accounting standards.	Facilitate preparation of financial data in accordance with GAAP.	Highest	Jan 2009	June 2009
	24	Plan for implementation of new requirements related to pollution remediation (GASB 49 – FY 2009).	Facilitate preparation of financial data in accordance with GAAP.	Highest	Jan 2009	June 2009
	25	Plan for implementation of new requirements related to intangible assets (GASB 51 - FY 2010).	Facilitate preparation of financial data in accordance with GAAP.	Highest	Jan 2009	July 2009
	26	Plan for implementation of new requirements related to land and other real estate held as investments by endowments (GASB 52 - FY 2009).	Facilitate preparation of financial data in accordance with GAAP.	Highest	Jan 2009	June 2009
	27	Research whether GASB 43 applies to new Oregon Educators Benefit Board; plan for implementation if necessary for FY 2009 CAFR.	Facilitate preparation of financial data in accordance with GAAP.	Highest	Jan 2009	July 2009
Datamart Management	28	Support SCD Accounting and Payroll Datamart on statewide basis, including assisting agencies to meet unique reporting needs.	Efficient and effective use of Datamart.	High	Ongoing	
	29	Assist agencies with use of On Demand server and broadcast server for electronic distribution of reports. (Stored Hyperion reports are run monthly and placed on Web site for agency viewing – SCS does this for client agencies.)	Efficient and effective use of Datamart.	High	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	30	Manage Datamart Repository and encourage Work Group to develop additional reports for agencies to use.	Efficient and effective use of Datamart.	High	Ongoing	
	31	Plan for and facilitate quarterly Datamart User Group Meetings; publish monthly <i>Datamart Connection</i> newsletter to keep users informed.	Efficient and effective use of Datamart.	High	Ongoing	
	32	Continue to expand the development of a Strategic Plan for the Datamart to assist with planning for future upgrades and enhancements.	Efficient and effective use of Datamart.	High	Ongoing	
	33	Complete business case to analyze feasibility of moving from weekly to daily updates for the Datamart.	Efficient and effective use of Datamart.	High	July 2008	June 2009
	34	Work with the State Data Center to migrate Datamart to more robust server to meet growing user needs.	Efficient and effective use of Datamart.	High	July 2008	Dec 2008
	35	Coordinate with EAS and SDC to upgrade DB2 software for the Datamart.	Efficient and effective use of Datamart.	High	July 2008	June 2009
	36	Work with agencies one-on-one to migrate reports to v. 8.3 On Demand Datamart server.	Efficient and effective use of Datamart.	High	July 2008	June 2009
	37	Complete business case to determine feasibility of upgrading Hyperion to an Enterprise Version (CPU license).	Efficient and effective use of Datamart.	High	July 2008	Dec 2009
	38	Determine information security classification for Datamart and implement appropriate controls.	Statewide consistency in compliance with security policies and procedures.	High	July 2008	Dec 2009

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	39	Provide training to Datamart users, both in-class and on-site.	High quality customer service to meet the training needs of users.	High	Ongoing	
Federal Compliance	40	Compile information for annual Federal Reporting Package.	Compliance with federal regulations.	Mandatory	Sept 2008	Mar 2009
	41	Compile annual SEFA.	Compliance with federal regulations.	Mandatory	Sept 2008	Mar 2009
	42	Manage agency subrecipient monitoring process and follow-up.	Compliance with federal regulations.	Mandatory	Ongoing	
	43	Compile and submit annual SWCAP.	Compliance with federal regulations.	Mandatory	Sept 2008	Dec 2008
	44	Negotiate approval of SWCAP.	Resolution of federal financial management issues.	Highest	Ongoing	
	45	Assist agencies to resolve federal compliance issues.	Resolution of federal financial management issues.	High	Ongoing	
	46	Prepare CMIA annual report.	Compliance with federal regulations.	Mandatory	Oct 2008	Dec 2008
	47	Amend CMIA agreement annually, or as needed.	Compliance with federal regulations.	Mandatory	Apr 2009	June 2009
Other Reporting	48	Prepare annual Bureau of Census reports.	Compliance with federal regulations.	Mandatory	Sept 2008	Dec 2008
	49	Prepare annual debt service related property tax levy certification.	Compliance with state law.	Mandatory	July 2008	Aug 2008
Performance Management	50	Actively participate in skill development opportunities.	Highly productive, proficient, dedicated employees.	High	Ongoing	
	51	Track performance measures for quarterly reporting.	Continuous business process improvement.	High	Ongoing	
	52	Complete performance evaluations in a timely manner.	Highly productive, proficient, dedicated employees.	Highest	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	53	Improve partnerships with other SCD sections and other DAS divisions.	Improved internal communication; increased teamwork.	High	Ongoing	
	54	Improve communications with other agencies through meetings, agency visits, statewide workgroups, e-mail communications, etc.	Improved external communication; increased coordination on statewide issues.	High	Ongoing	
	55	Update annual SARS business plan.	Effective work environment.	High	May 2009	June 2009
	56	Archive files per archive requirements.	Effective work environment.	Medium	Ongoing	
	57	Identify and evaluate assignments to improve SARS performance.	Effective and efficient processes.	Medium	Ongoing	
Systems Support	58	Administer system security for financial systems and SCD Accounting and Payroll Datamart.	Statewide consistency in compliance with security policies and procedures.	Mandatory	Ongoing	
	59	Maintain updated system security records.	Effective work environment.	High	Ongoing	
	60	Maintain profiles and attributes in CAFR compilation system.	Effective and efficient processes.	High	Ongoing	
	61	Provide training to Agency Security Officers	High quality customer service to meet the training needs of users	High	Jan 2009	June 2009

Summary of Key Performance Measures

Performance measures link our business plan with measurable outcomes in order to evaluate performance and the management of business plan objectives. SARS has performance measures (PM) related to three primary objectives and reports quarterly on these measures. Primary objectives identify specific aspects of our purpose. Performance measures are key elements in each process that influence attainment of the primary objective. Performance measures apply to individual team member performance as well as to the performance of the SARS team as a whole.

Primary Objective 1: To ensure financial reporting complies with generally accepted accounting principles and GFOA reporting requirements.

Primary Objective Indicator and Related Performance Measure	Performance Goal	Key Staff
Receive a clean audit opinion on the State's CAFR	Every year	SARS team
PM No. 1: Percentage of agencies earning Gold Star Certification.	90 percent	SARS team
PM No. 2: Number of days from fiscal year end to date CAFR published.	178 days or less	SARS team
PM No. 3: Number of days from fiscal year end to date BSLC published.	178 days or less	SARS team
PM No. 4: Receive the GFOA Certificate of Achievement for Excellence in Financial Reporting	Every year	SARS team

Primary Objective 2: To provide statewide leadership, consultation, and policy direction to agencies in accounting and financial reporting.

Primary Objective Indicator and Related Performance Measure	Performance Goal	Key Staff
Percentage of agencies earning Gold Star Certification.	90 percent	SARS team
PM No. 1: Percentage of agencies completing CAFR disclosure forms by due date.	90 percent	SARS team
PM No. 2: Training hours provided to agencies.	400 hours or more	SARS team
PM No. 3: Percentage of agencies disclosing no violations of legal or contractual provisions.	100 percent	SARS team
PM No. 4: Percentage of planned policy changes in the Oregon Accounting Manual made during the fiscal year.	90 percent	Kathy R.
PM No. 5: Percentage of customers rating policies as effective with clear direction.	90 percent	Kathy R.

Primary Objective 3: To ensure statewide compliance with federal reporting requirements.

Primary Objective Indicator and Related Performance Measure	Performance Goal	Key Staff
Percentage of federal reporting deadlines met by agencies and SARS.	100 percent	Various
PM No. 1: Annual CMIA Treasury-State Agreement in place by July 1	July 1	Kathy D.
PM No. 1: CMIA annual report submitted by SARS by December 31.	December 31	Kathy D.
PM No. 2: Annual Schedule of Expenditures of Federal Awards submitted by SARS by March 31.	March 31	Aaron
PM No. 3: Annual arbitrage certifications submitted by agencies by October 31.	October 31	Kathy R.
PM No. 4: Annual A-87 statewide cost allocation plan submitted by SARS by December 31.	December 31	Christina

Accountability for Performance

We establish specific expectations of the section and individual staff through assignments, personal commitments, and team decisions. We hold both team and individual staff meetings on a routine basis. We use business plan objectives, milestone schedules, and individual action plans to document expectations. We continually monitor plans to measure success in meeting expected performance. If performance is unsatisfactory, we take corrective action quickly. Corrective action may include assistance from other team members, counseling, and/or daily action plans. We complete annual employee performance evaluations in a timely manner. Each staff member has a copy of the annual business plan. We measure section performance based on our success in meeting the goals and objectives outlined in this business plan.

Statewide Financial Management Services

SFMS

**2008–2009
Business Plan**

Table of Contents

This document presents the background and current year business plan for the Statewide Financial Management Services (SFMS) section. It is the result of staff's efforts to plan the work for the next fiscal year based on the purpose of the section and a commitment to make the best possible use of limited resources.

Background

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SFMS Systems and Services

Statewide Financial Management Services (SFMS) staff provide operational support, control, and improvements to the Statewide Financial Management Application (SFMA). SFMA is composed of two modules: the accounting module known as R*Stars, an acronym for Relational Statewide Accounting and Reporting System and the purchasing module known as ADPICS, an acronym for Advanced Purchasing Inventory Control System. SFMS staff are responsible for communicating to agency financial staff on system functionality and to system programmers on required outcomes. SFMA efficiencies, enhancements, reports, training, interfaces, data integrity, and policies are our main areas of responsibility. Much of SFMS time and energy is spent testing system functionality to assure SFMA is working as intended. We accommodate approximately 1,300 users entering and viewing information in R*Stars and approximately 400 users entering and viewing information on ADPICS. R*Stars features a general ledger, accounts payable and receivable functions, and fiscal reporting capabilities. Grant, project and contract accounting are also available options on the system. SFMS is responsible for training and preparing agencies for implementation as well as re-implementation on R*Stars and ADPICS. SFMA system controls cover budgetary accounting, purchasing, payments, cash control, and security. SFMS staff is also responsible for oversight of the state's purchase card program, called SPOTS, a centralized vendor file which accommodates filing the IRS 1099-MISC form for all SFMA reportable events, reconciliation of the 0401 General Fund, the 10503 Payroll Account as well as the 0539 Lottery Account.

The intent of this document is to provide information about our work. This document is also a tool by which we can establish our vision, priorities, objectives, and expectations. In addition, we have included our accomplishments for the fiscal year ended June 30, 2008.

We plan our efforts to make a positive difference to our customers. In order to do so, we:

- Value integrity, competence, and professional conduct and avoid conflicts of interest.
- Make contributions that improve our customers' ability to do their job.
- Are creative in finding solutions to problems, open to new ideas and willing to take appropriate risks.
- Are truthful in our communications even when delivering bad news.
- Are respectful of others, keep confidences, and are good listeners.
- Provide encouragement and support to others toward achieving their goals and are not afraid to ask for their support of our goals.
- Recognize the interdependence necessary to achieve goals and work as a team to accomplish more than we can as individuals.
- Request input from agency staff regarding system improvements that would be beneficial to their agency and then rank system improvement projects.

Purpose

To operate effective and efficient accounting and purchasing systems that meet both central administration and agency needs by:

- Providing quality customer service and agency training.
- Ensuring integrity of statewide financial data and providing system functionality that meets the needs of customers.
- Maintaining control of cash and appropriations as designated by the state legislature.

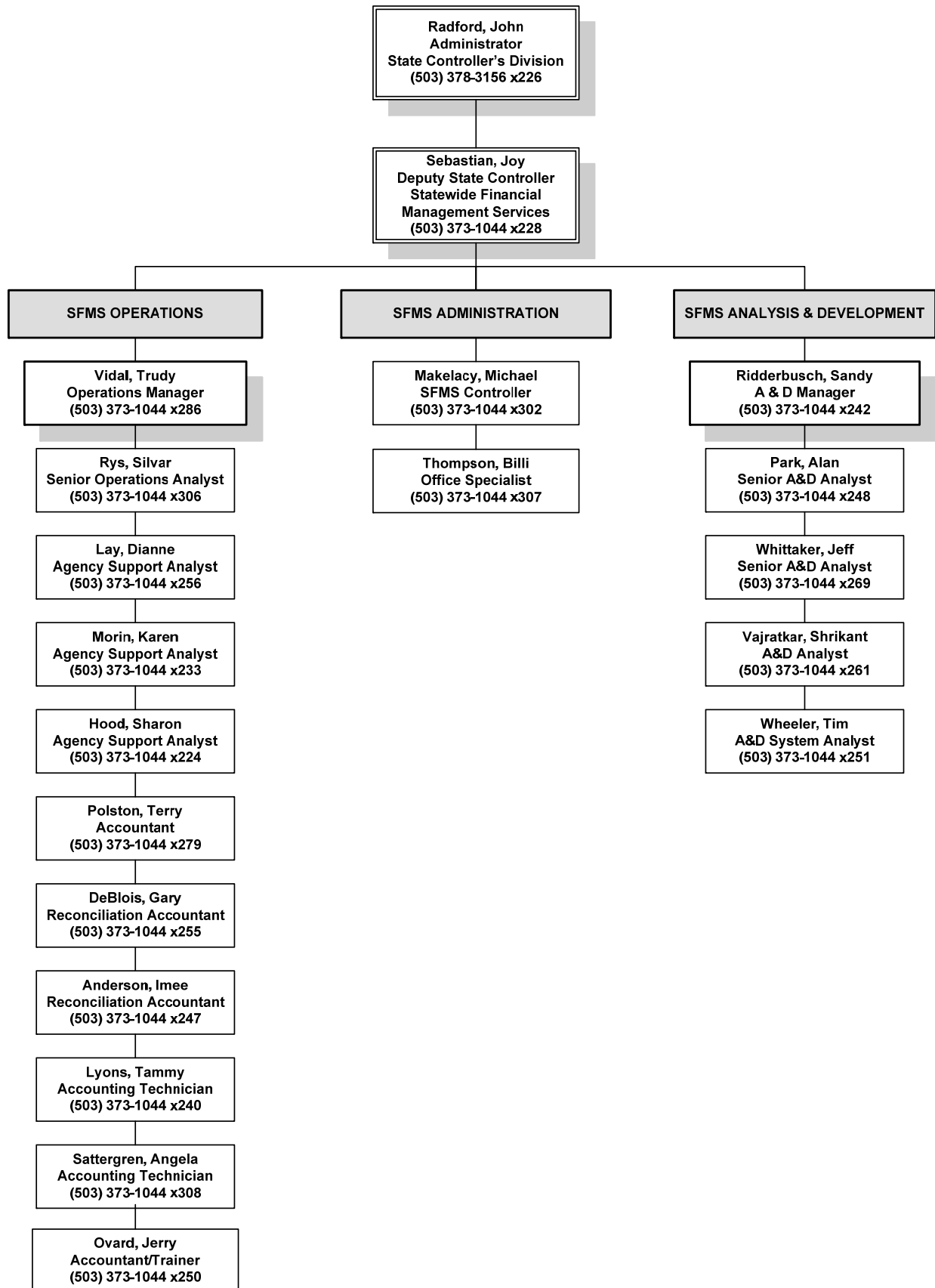
Vision

SFMS will listen carefully and act responsibly to provide excellent customer service and an effective automated financial system to customers. We will demonstrate self-directed professionalism, teamwork, and accountability as we strive to balance customer needs, system functionality, required controls, and available resources.

Organization

SFMS is part of the State Controller's Division. The SFMS organization is divided into two units plus administration. This segmentation addresses the separate identified needs of the customers and the various functions of operating the system. The entire SFMS section reports to the Administrator of the State Controller's Division (SCD) in the Department of Administrative Services (DAS).

Organization Chart



Integration with Mission of Department

The SFMS business plan supports the mission of the Department of Administrative Services, which is:
“Leading the pursuit of excellence in state government.”

Legal Authority

Our legal authority comes from Chapter 291 and 293 in the Oregon Revised Statutes (ORS). We clarify and provide specifics in the Oregon Accounting Manual (OAM). The following ORS sections provide authority:

- 291.015 Establishes authority to set fiscal direction for the State.
- 291.100 Sets responsibility for financial management.
- 291.405 Assessment of state agencies for mass transit purposes, rates.
- 291.407 Mass Transit Assistance Account, source, distribution, Oregon Department of Transportation (ODOT) assistance, etc.
- 293.346 Authorizes drawing warrants against Treasury.
- 293.348 Authorizes charging agencies for warrants produced.
- 293.590 Sets responsibility to supervise state accounting.
- 293.595 Sets responsibility for supervising acquisition, installation, and use of computers for accounting processes.

Customers and Services

Central Control Agencies

Audits Division, State Treasury, DAS Budget and Management Division, Legislative Fiscal Office, DAS State Data Center, DAS Enterprise Information Strategy and Policy Division, DAS Enterprise Application Services and State Controller’s Division.

We promote system functionality, controls and data integrity as follows:

- ✓ Cash and appropriation control to meet legislative statutes in partnership with DAS Budget and Management Division and State Treasury.
- ✓ Fiscal and appropriation year financial data for statewide Comprehensive Annual Financial Report (CAFR).
- ✓ Year-to-date expenditure and revenue data for CAFR and budget documents.
- ✓ Statewide data for consistent and standardized treatment of accounting processes.
- ✓ Automated deposit reconciliation and treasury processing.
- ✓ Manage statewide General Fund.
- ✓ Fiscal information for audit review.

Outside Entities

Citizens, vendors, federal, state, and local government.

We maintain and monitor system functionality to provide the following:

- ✓ Payments for services rendered that are timely, accurate, and less cumbersome by providing central contact point for correcting and collecting information, and direct mailing options.
- ✓ Statewide availability of 1099-MISC, backup withholding, and withholding regulations and processes.
- ✓ Share SFMA processes with other states.
- ✓ Direct Deposit.

State Agencies

We provide the following functionality for our users:

- ✓ R*STARS and ADPICS training.
- ✓ System modifications to enhance functionality and reduce workload.
- ✓ Agency assistance for problem resolution, information exchange, and communications linkage.
- ✓ One system for cash and budget control, accounting, and financial statement preparation.
- ✓ Wide spectrum of automated accounting and purchasing functionality.
- ✓ Small Purchase Order Transaction System (SPOTS) program to provide purchasing card services.
- ✓ Centralization of workload for warrant distribution and direct deposit requirements.
- ✓ Centralization of workload for 1099-MISC reporting, backup withholding and withholding requirements.
- ✓ Interface testing assistance.
- ✓ Written procedures, documentation, policies, and manuals for efficient and appropriate SFMA use.
- ✓ Automated deposit reconciliation.
- ✓ Assistance for agencies implementing or re-implementing R*STARS and ADPICS.

Resources

Our employees are our most important resource. Employees in SFMS must be educated, skilled, and experienced in governmental accounting, financial reporting and analysis, the Statewide Financial Management Application, and desktop software. On average, it takes one year to function effectively in SFMS. The skill sets our positions require combine accounting and system technical knowledge. Staff's successes typically involve sophisticated problem solving and matching system capability with accounting requirements. Some staff find this type of deliverable unrewarding compared to a standard accounting position, others find it exhilarating. Our trained staff are desirable candidates for promotions to other agency positions. We expect retention to challenge our unit.

SFMS Administration

SFMS Administration is comprised of three staff plus a portion of an Accountant 3 to perform the training function.

Key Functions

SFMS Administration is responsible for the strategic management of SFMS function as summarized in the following general categories.

- **Leadership and Direction** – Provides SFMS program leadership and direction consistent with required controls as well as the desires and needs of agencies and financial reporting in addition to overall SFMA management, quality assurance (QA), and internal control direction.
- **System Security and Internal Controls** – Coordinate with the Enterprise Security Office (ESO) and the State Data Center (SDC) in development of statewide security and internal control policies and procedures as they relate to SFMA in accordance with Control Objectives of Information and Related Technology (COBIT), the International Standards Organization (ISO) 17799, the Oregon Consumer Identity Theft Protection Act and the enterprise Information Asset Classification and Transportation policy.
- **Consulting** – Provision of consulting services to statewide agency customers on issues related to R*Stars and ADPICS. Work with agencies for an integration of customer service criteria with authoritative internal control objectives to help achieve an optimum balance supporting the State Controller's dual role of providing service and control to stakeholders.
- **Training** – Development, maintenance, implementation, and presentation of hands-on module type R*Stars and ADPICS training materials and programs for various levels of statewide agency staff expertise.
- **Small Purchase Order Transaction System (SPOTS)** – Statewide coordination, management, and allocation of rebates for the State's VISA purchase card.
- **Administrative Services** – Support for all SFMS units as well as maintenance of the documentation of about 125,000 vendor W-9s. (IRS Request for Taxpayer Identification Number and Certification)
- **SCD Budget** – Develop, monitor, and provide feedback on the SCD Budget in conjunction with the DAS Operations Budget staff.

2008/2009 Resources by Key Function

The schedule below shows the key functions of SFMS Administration, the percentage of time devoted to each key function by staff position, and the total FTEs assigned to each key function in 2008/09.

Function	Deputy State Controller Joy	Ops/Analyst 4 Michael	Acct 3/Trainer Jerry	Office Specialist Billi	Total FTE
Leadership and Direction	35%	10%			0.45
System Security and Internal Controls	10%	50%			0.60
Consulting	10%	20%			0.30
Training	25%	20%	40%		0.85
SPOTS	10%				0.10
Administrative Services				100%	1.00
SCD Budget	10%				0.10
Total	100%	100%	40%	100%	3.40

2008–2009 Business Plan Objectives

Each year the SFMS staff, in conjunction with our agency customers, identifies the objectives that will support our philosophy and purpose. Throughout the year, we actively seek input from agency customers. Our overall objectives are tasks we plan to achieve, recognizing that shifting priorities, shrinking resources, and increasing demands for services may preclude our ability to achieve complete success.

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
Leadership and Direction	1	Meet with SFMS Managers weekly and all SFMS staff monthly	Provide a forum to update projects, which may affect multiple units and to initiate customer service discussions.	High	Ongoing	
	2	Initiate customer service discussions during SCD Manager meetings.	Improve SCD's customer service.	High	Ongoing	
	3	Continue the management of the SFMA Facelift, which introduces a web-enabled environment for transaction entry.	Extend the lifespan and perception of SFMA, especially for new users.	High	Migration to Production Fall 2008	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	4	Continue the practice for agencies to rank the value of SFMS projects.	Work on the most meaningful projects for agencies.	High	April 2009	June 2009
	5	Effective interaction and communication between SFMS and Enterprise Application Services (EAS) staff.	Provide the most effective and efficient use of SFMS and EAS resources.	High	On-going	
	6	Manage the State of Oregon's credit recovery request for proposal (RFP) and if appropriate, implement the program.	Secure any unknown credits on vendors' books via a commission type contract.	Medium	Began 10/07	RFP should be finalized Sept 2008
	7	At the agencies' requests, visit at least 10 agencies and take the opportunity to discuss challenges, concerns and successes with SFMS.	Perpetuate excellent customer service.	High	Ongoing	
	8	Continue to administer the statewide Small Purchase Order Transaction System (SPOTS)	Interact with agencies on the most appropriate use of the SPOTS card.	High	On-going	
System Security and Internal Controls	9	Work with SARS for a logical solution to limit the ability to view other agencies' data to only those users that require the information for their respective positions.	Appropriately secure SFMA information without negatively affecting agencies requirements, efficiencies and effectiveness.	High	July 2008	Dec 2008
	10	Work with agencies to create a plan to eliminate the use of Social Security Numbers as the vendor number.	Properly secure social security number information without negatively affecting agencies' interfaces, requirements, efficiencies and effectiveness.	High	Oct 2008	July 2009
	11	Continue Quality Assurance (QA) on all SFMA programming enhancements, changes and fixes	Assure all system changes meet objectives and have appropriate testing.	High	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	12	Work with EAS staff to standardize testing processes and verification of results.	Assure all system changes meet objectives and have appropriate testing results prior to SFMS staff testing.	High	Ongoing	
	13	QA the migration process from the Acceptance (testing) region to the Production region.	Assure all system changes are appropriate for the system change objective.	High	Ongoing	
Consulting	14	Work with the Employment Department to implement agency requested SFMA structure changes	Provide assistance to the agency by creating a more meaningful structure with more meaningful access to financial information.	High	July 2008	July 2009
	15	Work with agencies to implement interface statistics.	Place more automated controls on interfaces	High	July 2008	July 2009
Training	16	Train SFMA users on the appropriate R*Stars (accounting) and ADPICS (purchasing) use of the system.	Provide a more effective and efficient use of SFMA.	High	On-going	
	17	Revise ADPICS and R*Stars training modules, as needed	Provide up-to-date training consistent with system changes	High	On-going	
	18	Update the ADPICS training manual	Provide up-to-date training consistent with system changes	High	On-going	
	19	Provide high-level agency training for SFMA financial decision makers.	Familiarize new Accounting managers with specific capabilities of SFMA.	High	On-going	
	20	Work with HRSD to implement eLMS testing plan for SFMA training registration. If successful, place the process in production	Learn if it is feasible to register SFMA trainings using the HRSD eLMS training process.	Medium	July 2008	Dec 2008
	21	Train agencies on the use of macros.	Assist agencies in the most efficient use of SFMA.	High	On-going	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	22	Train agencies on the efficient use of the ODBC (Open Data Base Connectivity) driver.	Assist agencies in the most efficient use of SFMA.	High	On-going	
	23	Introduce lecture type overview of SFMA.	Familiarize new Accounting Managers and other accounting staff who do not need additional hands on experience with SFMA.	High	Sept 2008	Nov 2008
	24	Create a newcomers SFMA dictionary	Familiarize new SFMA users to the frequently used terms	High	Sept 2008	Feb 2009
SPOTS	25	Assist the State Procurement Office with the new SPOTS card contract.	Provide input on possible improvements to the current SPOTS card agreement	Medium	July 2008	Jan 2009
	26	Facilitate an annual meeting with SPOTS Coordinators.	Communicate proposed changes to the SPOTS section of the Oregon Accounting Manual and changes with the VISA program.	High	Sept 2008	Nov 2008
	27	Provide guidance to agency SPOTS Coordinators regarding the appropriate use of the SPOTS card.	Assist agencies with the interpretation of the Oregon Accounting Manual and how it relates to the SPOTS card use.	High	On-going	
	28	Maintain the Business Continuity Plan for the SPOTS card creation and use.	Provide business continuity planning financial alternatives in the event the need arises.	High	On-going	
Administrative Services	29	Put together a plan to scan 125,000 W-9s.	Create an effective, efficient and cost-beneficial plan to store and retrieve W-9s.	Medium	July 2008	Sept 2008
	30	If the scanning plan is feasible, begin the scanning process	Create an effective, efficient and cost-beneficial process to store and retrieve W-9s in place.	Medium	Sept 2008	On-going

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	31	File W-9s physically or electronically.	Facilitate the IRS requirement to secure and make available W-9s to the IRS in the event inconsistencies arise.	High	On-going	
	32	Research highly functional search options.	Provide agencies with an easy method to retrieve information	Medium	Dec 2008	March 2009
SCD Budget	33	Work with DAS Operations and SCD units for any budget challenges or changes	Generate an accurate budget for the State Controllers' Division to present to the legislature.	High	Oct 2008	Feb 2009
	34	Work with DAS Operations and discuss SCD's budget to actual information	Assure all aspects of the SCD budget to actual are as expected	High	On-going	
	35	Review all SCD invoices for appropriate documentation and accuracy prior to approving.	Assure only appropriate invoices are approved for payment	High	On-going	
	36	In conjunction with Analysis and Development, analyze monthly State Data Center costs.	Facilitate an understanding of the State Data Center costs so that SFMS can better anticipate the cost of requested changes	High	On-going	

FY08 Accomplishments for SFMS Administration

- Provided macro training to allow agencies to add repetitive type transactions via electronic spreadsheets rather than manually keying each transaction.
- Updated six ADPICS training modules.
- Created Quality Assurance standards and processes.
- Created a cheat sheet of information on SFMA to allow new users to more easily navigate and generate transactions.
- Added the functionality for users to access, navigate and input transactions into the accounting system via windows based screens in addition to the current "green screen" environment.
- Made 50 agency visits at the request of the agencies.
- Worked with the State Procurement Office to create a Cost Recovery Request for Proposal (RFP). The RFP should be published during the first quarter of fiscal year 2009.
- Provided 23 SFMA lab trainings, which included 569 SFMA training modules and 1,882 student training hours.

- Performed Quality Assurance on 13 major SFMA production enhancements as well as 16 archive and other periodic processes.
- Worked with SARS to recommend security changes to reduce the visibility of sensitive information in SFMA.
- Worked with DAS Operations to finalize a SCD price list and generate a preliminary budget.
- Provided quarterly updates of accomplishments and challenges to SFMS clients.
- Participated in TOPOFF4 business continuity planning.
- Established a Business Continuity Plan (BCP) and processes for SPOTS cards.
- Worked with Treasury to create a manual process in the event SFMA is not available.
- Continued the process of requesting agencies provide input for future R*Stars and ADPICS projects and then rank the projects requested. For the most part, these projects are listed in the SFMS A&D and Operations sections as completed enhancements.
- Facilitated financial aspects of legislative requirements for
 - Homeland Security moved from State Police to Military
 - Pharmacy Board split from other medical boards
 - 990 loan program move to the Water Resources Department
- Worked with the Enterprise Security Office and State Data Center to better define security concerns and exposures.

SFMS Operations

SFMS Operations is responsible for the daily management of SFMA (Statewide Financial Management Application). SFMS Operations is comprised of ten full time staff plus one shared Accountant 3.

Key Functions

The principal responsibilities of SFMS Operations are summarized in the following general categories:

- **System Management** – Ensures the integrity of R*Stars and ADPICS used by 85 state agencies and approximately 1,700 users. Coordinates production scheduling, including weekly, month-end, year-end, and subsystem processes. Maintains statewide profiles and tables. Performs system reconciliation including error resolution and research/resolution of accounting and system functionality issues.
- **System Policy** – Develops and distributes system policies, procedures, and documentation for R*Stars and ADPICS users.
- **Cash Reconciliations** – Responsible for monthly statewide reconciliations of General fund, joint payroll fund, and Lottery fund with a total of over 8,500 monthly transactions. Assists agencies with other fund reconciliations and complex three way reconciliations between subsystems, SFMA and Treasury.
- **Payment Processing** – Provides statewide vendor maintenance for over 125,000 vendors, statewide Automated Clearing House (ACH) processing and training for agency staff. Facilitates warrant distribution and administration of payment processing and related profiles. Performs warrant replacement, cancellation, fraud, and forgery control.

- **Agency Support** – Assigned agency assistance provides wide range of system guidance on-site and via email and telephone. Resolves problems and questions involving requestable and control reports and report distribution.
- **Federal Compliance** – Administers backup withholding, withholding tax, and 1099-MISC processing and training. This includes all correspondence and appropriate transmission of payments and required forms to IRS.
- **R*Stars General Fund** – Performs all accounting services for Agency 999.
- **Purchase Card** – Reviews and monitors statewide use of the Small Purchase Order Transaction System (SPOTS) Card for over 3400 cardholders with approximately 14,000 monthly transactions.
- **Other Special Projects** – Perform system enhancements at the request of state agencies and central staff.

2008/2009 Resources by Key Function

The schedule below shows the key functions of SFMS Operations, the percentage of time devoted to each key function by staff position, and the total FTEs assigned to each key function in 2008/09.

Function	Manager Trudy	Acct 4 Silvar	Acct 3 Dianne	Acct 3 Sharon	Acct 3 Karen	Acct 3 Terry	Acct 3 Gary	Acct 3 Jerry	Acct 2 Imee	Acct Tech 3 Tammy	Acct Tech 2 Angela	Total FTE
System Management	25%	35%				20%		20%			10%	1.10
System Policy	20%	10%						30%				0.60
Cash Reconciliations	5%						30%		60%			0.95
Payment Processing	5%					10%	5%		30%	95%	70%	2.15
Agency Support	20%	35%	80%	80%	80%		20%					3.15
Federal Compliance	10%						30%					0.40
R*Stars General Fund	5%						10%				10%	0.25
Purchase Card								20%				0.20
Other Special Projects	10%	20%	20%	20%	20%	30%	25%	10%	10%	5%	10%	1.80
Total	100%	100%	100%	100%	100%	100%	100%	60%	100%	100%	100%	10.6

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
System Management	1	Review daily control reports for proper batch cycle processing and balancing system.	Ensure the integrity of R*Stars and ADPICS used by 85 state agencies and 1700 users.	High	Ongoing	
	2	Daily maintenance of statewide profiles.	Ensure compliance with budget, accounting and federal requirements.	High	Ongoing	
	3	Test, run and verify annual and biennial programs that move data forward, close the fiscal year and expire stale dated warrants.	Prepare SFMA for the next fiscal year and/or biennium and comply with state law.	High	Ongoing	
	4	Produce the yearly production calendar for scheduling daily, weekly, monthly and yearly processes and programs.	Facilitate efficient coordination of jobs, closings and processes with other enterprise systems in an effort to meet all interested parties objectives.	High	Sept 2008	Nov 2008
	5	Research and resolve accounting and system functionality issues.	Ensure the integrity of R*Stars and ADPICS used by 85 state agencies and 1700 users	High	Ongoing	
	6	Modify sort order of voucher batches to eliminate linking errors when two biennia are open at the same time.	Pay vouchers based on oldest biennium first instead of document number. This change will eliminate some system challenges and allow agencies to better manage payments.	High	Jan 2009	June 2009
	7	Modify Security on the 86 Document Transaction Inquiry screen to edit on financial agency instead of batch agency for drill down.	Allow agencies to View their transactions on the 84 Accounting Event Record screen when another agency sends a balance transfer.	High	July 2008	Dec 2008
	8	Research and resolve grant equity posting problems with DAFM353/356 biennium roll.	Ensure consistent posting to equity for grants between the summary general ledger and detail general ledger tables.	High	July 2008	March 2009

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
System Policy	9	Develop and distribute policies, procedures, and system documentation.	Provide up-to-date system information and internal procedures.	Medium	Ongoing	
	10	Update the remaining chapters of the Data Entry Guide on the website.	Provide up-to-date SFMA user information.	Medium	July 2008	June 2009
	11	Update Report Guide with current examples of reports on the web site.	Provide high quality customer assistance.	Medium	July 2008	June 2009
Cash Reconciliations	12	Perform monthly statewide General Fund and Lottery reconciliations.	Ensure the integrity of transactions and cash balances reconcile with Treasury.	High	Ongoing	
	13	Perform monthly statewide payroll reconciliation.	Ensure the integrity of transactions on SFMA and cash balances reconcile with Treasury and the payroll system.	High	Ongoing	
	14	Assist agencies with bank reconciliations, often three way matches between Treasury, an agency subsystem and SFMA.	Ensure the integrity of transactions and cash balances reconcile with Treasury.	Medium	Ongoing	
Payment Processing	15	Provide vendor maintenance for about 125,000 vendors, and ACH processing and training to agency staff.	Ensure accuracy in vendor setups for federal reporting requirements. Ensure secured environment for electronic payments.	High	Ongoing	
	16	Distribute warrants to agencies and administer payment processing.	Maintain internal control over warrants and facilitate proper payment processing.	High	Ongoing	
	17	Replace and cancel warrants and perform fraud and forgery control.	Ensure appropriate processing of warrants that do not follow normal processing through the bank.	Medium	Ongoing	
Agency Support	18	Provide system guidance through specified agency assignments.	Ensure proper use of SFMA and provide guidance on system error correction.	High	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	19	Resolve problems and provide guidance with report requests.	Provide information for use of SFMA reports.	Medium	Ongoing	
	20	Participate in five agency visits per quarter.	Provide central staff with the opportunity to learn and understand more about each agency's environment.	Medium	Ongoing	
Federal Compliance	21	Administer backup withholding tax and 1099-MISC processing and training.	Comply with federal withholding and reporting requirements to avoid penalties.	High	Ongoing	
	22	Administer foreign vendor tax withholding and reporting.	Comply with federal withholding and reporting requirements to avoid penalties.	High	Ongoing	
	23	Split the DAFR7940 1099-MISC Worksheet report by agency.	Create a more efficient process by allowing agency reports to be delivered directly from the print plant to the agencies.	Medium	July 2008	Sept 2008
	24	Modify correction printing to add "Revised" on 1099's.	Clarify for recipients which version of 1099 they are receiving.	Medium	Oct 2008	Dec 2008
	25	Modify correction coding to suppress printing of certain 1099's.	Simplify process for correcting addresses and names on 1099s that do not require another mailing.	Medium	Oct 2008	Dec 2008
	26	Modify envelopes for 1099's	Fix ongoing problems with 1099 document placement in window envelopes.	Medium	July 2008	Sept 2008
R*Stars General Fund	27	Perform all accounting services for Agency 999 including CAFR disclosures.	Properly record centralized general fund activity and comply with GAAP.	Medium	Ongoing	

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
Purchase Card	28	Review and monitor statewide use of the Small Purchase Order Transaction System (SPOTS) Card.	Help detect SPOTS card fraud by providing high quality customer assistance and notifying agencies of improper use of SPOTS cards, dormant cards and cardholders changing positions.	High	Ongoing	
Other Special Projects	29	Add select, drill down and view detail accounting transaction on the Vendor Transaction Inquiry (85) screen. This is the agencies #1 R*Stars ranked project.	Allow view access to the Accounting Event Record Inquiry (84) screen which contains the coding elements on a transaction.	High	July 2008	Dec 2008
	30	Include the Program Cost Account (PCA) as an optional field on the Agency Budget Financial Inquiry (61) screen. This is the agencies #3 R*Stars ranked project.	Provide financial inquiry at the PCA level which is not currently available on-line.	High	Jan 2009	June 2009
	31	Modify Grant screens and T-codes for a new "commitments" balance type.	Provide effective tracking mechanism for grants without creating an encumbrance.	Medium	July 2008	March 2009
	32	Add status code field to 77 Index Selection screen.	Provide additional information for selecting appropriate index when coding transactions.	Low	March 2009	June 2009
	33	Add status code field to 78 PCA Selection screen.	Provide additional information for selecting appropriate PCA when coding transactions.	Low	March 2009	June 2009

FY08 Accomplishments for SFMS Operations

- SFMA enhancement to distinguish lines with errors on the View A Batch (520) screen. This was the agencies #4 ranked project.
- SFMA enhancement to list all out-of-balance documents on the Batch Balancing (502) screen to easily identify problem documents. This was the agencies #5 ranked project.
- SFMA enhancement to include close dates on \$0 documents in the Encumbrance Close Program (DAFM348) so that agencies did not need to manually close these documents.
- SFMA enhancement to add status code and 1099 indicator fields to 79 Comptroller Object Selection screen to improve the value of this screen.

- SFMA enhancement to add status code and comptroller object fields to 81 Agency Object Selection screen to improve the value of this screen.
- Prepared document and presentation with project timeline and policy option package (POP) for mandatory 3% withholding on vendor payments.
- Updated and added two chapters of the Data Entry Guide to the SCD/SFMS website.
- Assisted with testing of the SFMA Facelift project.
- Updated functionality for several R*STARS profile reports and control reports.
- Changed 1099-Form to meet 2007 requirements.
- Created a system change to close the biennium profiles.
- Blocked R*Stars agency view of social security numbers (SSN) for employees, whose information was placed on SFMA years ago and needed to be maintained for the required retention period. The SSN has subsequently been replaced by the OR number on the employee's record. The SSN information will be archived the fall of 2008.
- Created and tested multiple changes and enhancements to the vendor profiles in anticipation of agency requested central control over ADPICS vendors.
- Created, tested and added new balance sheet accounts per SARS request.
- Created, tested and added new transaction codes to close old general fund D23 funds.
- Participated in 24 agency visits.
- Processed over 2,000 manual change requests for 1099-MISC forms.
- Secured remote printing and incoming faxes of confidential information in compliance with Oregon Consumer Identity Theft Protection Act.
- Removed confidential vendor information from control reports in compliance with Oregon Consumer Identity Theft Protection Act.
- Earned the SARS Gold Star award for Agency 999 General Fund.

Beyond 2009

- Modify system to withhold the Federal mandated 3% from each vendor payment.
- Remove social security number from vendor number.
- Add criteria key to the View Batch Headers (530) screen (batch number, Edit mode, batch date) to further limit the batches and ease locating documents.
- Develop Master Topic Index for the website so that users can more easily find needed topic information.
- Rewrite Quick Reference Guide for website to accommodate new users.
- Modify ACH program to automate the current manual process needed to assure 1099-MISC information is applied to the appropriate calendar year.

SFMS Analysis & Development (A&D)

Statewide Financial Management Services Analysis and Development (A&D) section is part of the SFMS unit in the State Controller's Division. We have five full-time positions consisting of a Manager, two Accountant 4s, one Accountant 3, and one Accountant 2.

Key Functions

The principal responsibilities of A&D are summarized in the following general categories:

- **Application Maintenance**

Provide analysis and maintenance of the SFMA to ensure data integrity and program functionality allows for sound and viable testing and a stable user training environment. Manage the non-production SFMA regions by keeping them consistent with appropriate Production information to ensure analysis and test process results are accurate. Coordinate scheduling, user security, data refreshes, profile maintenance, subsystem processes and data reconciliations for the training and testing regions. Manage and update the technical user documentation for SFMA. Perform system error resolutions for identified accounting data issues. Analyze and document reported system problems to ensure system functionality and data integrity is maintained.

- **Application Enhancements**

Analyze, test, and implement system enhancements per the state and federal mandates as well as the requests of state agencies and central staff. Manage and test application, mainframe, and version upgrades for SFMA and related tools. Update SFMA for integration compliance with all appropriate sub-systems and external accounting systems such as those from state agencies, Treasury, and US Bank.

- **Interface Coordination and Security**

Coordinate testing, validation, and migrations to Production for new and existing incoming SFMA interfaces and out-going data extracts. Analyze and implement process and programming changes necessary for the secure transfer of accounting data to and from SFMA. Assist agencies in resolution of production interface data transmission issues to prevent and/or correct erroneous interface information from being added to the financial information in SFMA. Prepare and provide data extracts at the request of agencies.

- **System Data Archives and Purges**

Enhance SFMA functionality and efficiency by controlling costs and reducing system processing time through scheduled production data purges and archives. During FY 2008, we removed approximately 157.5 million rows of data from 54 of the 167 production tables. Analyze and test the process for each archive to ensure consistent programming logic. Ensure compliance with the Secretary of State's data archive schedule and that accounting activities related to long-term capital construction projects are handled appropriately in the archive processes.

2008/2009 Resources by Key Function

The schedule below shows the key functions of SFMS Analysis & Development, the percentage of time devoted to each key function by staff position, and the total FTEs assigned to each key function in 2008/09.

Function	Manager Sandy	Acct 4 Jeff	Acct 4 Alan	Acct 3 Shri	Acct 2 Tim	Total FTE
Application Maintenance	35%	30%	30%	20%	60%	1.75
System Enhancements	30%	30%	30%	20%	30%	1.40
Interface Coordination and Security	10%	10%	10%	45%		.75
System Data Archives and Purges	25%	30%	30%	15%	10%	1.10
Total	100%	100%	100%	100%	100%	5.00

We plan to accomplish the following objectives during the fiscal year ending June 30, 2009.

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
Application Maintenance	1	Conduct accounting data clean ups (System Data Integrity Events) as needed.	Accurate financial information for agency decision makers as well as the CAFR.	High	Ongoing	
	2	Test and verify mainframe hardware upgrades and changes made by the SDC.	Maintain an effective and efficient accounting system.	High	Ongoing	
	3	Run year-end jobs in SFMA test and training regions.	Maintain sound and viable test and training environments.	High	June 2009	July 2009
	4	Review test and training region system control reports for proper batch cycle processing and data balancing.	Maintain sound and viable test and training environments.	High	Ongoing	
	5	Produce non-production region calendar for scheduling daily, weekly, monthly, and yearly processes and programs.	Coordination of jobs, and batch cycles to meet test and training environment objectives.	High	Oct 2008	Dec 2008

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	6	Maintain agency and statewide profiles to mirror production region profiles.	Maintain sound and viable test and agency training environments.	High	Ongoing	
	7	Research, test, and resolve system functionality issues.	Ensure the data and functional integrity for R*Stars and.	High	Ongoing	
Application Enhancements	8	Add the current document number to the detail on the 86 Document Transaction Inquiry (86) screen. This is the agencies #4 ranked R*Stars project.	Allow agencies to view both current and referenced documents for their accounting transactions.	High	Jan 2009	June 2009
	9	Add invoice number and date to Vendor Purchase Order/Contract (1490) screen in ADPICS. This is the agencies #1 ranked ADPICS project.	Allow agencies to view referenced invoice information for their purchase orders.	High	Sept 2008	Feb 2009
	10	Develop new Internet email function to notify agencies of purchase orders waiting for their authorization. This is the agencies #2 ranked ADPICS project.	Provide efficient notification method for users to authorize agency purchases in ADPICS.	High	Nov 2008	April 2009
	11	Modify the Revenue Transaction Entry (S504) screen to display agency accounting code titles in R*Stars. This R*Stars project was ranked #2.	Provide additional information to reduce time required for supervisory review and approval of accounting transactions.	High	July 2008	Oct 2008
	12	Develop an ADPICS Outstanding Purchase Order report requestable at the agency level. This is the agencies #3 ranked ADPICS project.	Provide customers an effective mechanism for tracking buyer purchasing activities.	High	July 2008	Nov 2008
	13	Add select function from Vendor Alpha Inquiry (3A) to agency determined screen. This is the agencies #6 ranked R*Stars project.	Facilitates the efficiency of R*Stars.	Medium	Dec 2008	April 2009

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	14	Create a "prior record" function on the Pre-Enc/Enc/Expend Transaction Entry (S505) screen. This is the agencies #5 ranked R*Stars project.	Provide more efficient method to return to previously viewed records for accounting transaction review and approval.	High	Jan 2009	June 2009
	15	Synchronize vendor payment addresses between ADPICS and R*stars to prepare for agency requested central control of ADPICS vendor information.	Ensure consistency and integrity of vendor payment transaction processing.	High	Sept 2008	Oct 2008
	16	Create a prior page return option on the Vendor Transaction (85) screen. This was the FY08 #6 ranked project that created many challenges and was not finalized in FY08.	Provide agency defined functional enhancement.	Medium	Nov 2008	Feb 2009
Interface Coordination and Security	17	Coordinate security, testing, and production migrations for new and existing agency interfaces.	Ensure appropriate processing of interfaced accounting transactions.	High	Ongoing	
	18	Implement process and program changes for secure data transfers.	Ensure integrity and security of the data interfaced to SFMA.	High	Ongoing	
	19	Assist agencies in resolution of interface transmission issues.	Ensure appropriate processing of interfaced accounting transactions.	High	Ongoing	
	20	Create screen for agency verification/approval of incoming interfaces.	Provide agencies with mechanism to verify interfaced data.	Medium	Nov 2008	June 2009
System Data Archives and Purges	21	Provide information and training to customers about data archives and purges.	Continue to update and provide information to agencies on annual data reduction processes.	Medium	Ongoing	
	22	Test and perform the Vendor Tables purge.	Improve processing efficiency and manage system costs.	Medium	Sept 2008	Oct 2008
	23	Test and perform Cumulative Payment data purge.	Improve processing efficiency and manage system costs.	Medium	Nov 2008	Dec 2008

Function		2008/09 Business Plan Objectives	Goal	Priority	Target Start Date	Target End Date
	24	Test and perform the Receipt tables' data archive.	Improve processing efficiency and manage system costs.	Medium	June 2008	July 2008
	25	Test and perform the Payment Control and Cancel data archive.	Improve processing efficiency and manage system costs.	Medium	March 2009	April 2009

FY08 Accomplishments for Analysis and Development

- Enhance SFMA by including account code title display on Payment Transaction Entry (505) screen. This enhancement provides agency approvers more information for a more efficient approval process. It was the agencies #2 ranked project for FY08.
- SFMA agency ranked enhancement number 3, to return user to original transaction page display when drilling down to Accounting Event Record (84) screen from the Document Transaction Inquiry (86) screen.
- Added a Page Up functionality to the Document Transaction Inquiry (86) screen. This was one of the two screens requested by agencies as SFMA ranked project number 6.
- Enhanced the SFMA Document Transaction Inquiry (86) screen and the Vendor Transaction Inquiry (85) screen displays for clearer distinction of individual records. Agencies gave this project a number 8 ranking.
- Changed SFMA Summary General Ledger (89) screen default display value from Detail to Summary. This was part of the agency ranked project #10.
- SFMA enhancement to add agency code 1 field to Summary General Ledger (89) screen as an optional look up value. This is the remainder of the agency ranked #10 project.
- Performed 77 data clean ups in the accounting system.
- Coordinated and performed data integrity and system functionality testing for the mainframe Operating System upgrade to 1.7 to better align the accounting system with needed upgrades and SDC needs.
- Coordinated and performed testing for the CICS mainframe upgrade to 3.1, to better align the accounting system with the SDC needs.
- Modified and tested Profile Tables archive to include new data field elements, to assure all elements of the Profile tables are archived properly.
- Modified and tested Vendor Tables purge to include new data field elements, to assure all elements of the Vendor Tables are purged properly.
- To continue to foster the efficiencies of the accounting system, A&D removed 16.7 million records from the Document Tracking tables.
- Removed 126.9 million records from the financial tables in the accounting system, to reduce on-line storage needs and to allow SFMA to operate more efficiently.
- Removed 9.3 million records from the Payment Control and Payment Cancel tables in the accounting system, for the purpose of reducing on-line storage needs and to allow SFMA to operate more efficiently.

- Removed 4.1 million records from the Cumulative Payment table in the accounting system, for the efficient operation of SFMA.
- For better efficiency, approximately 362,000 records were archived from the Profile and Receipt tables in the accounting system.
- Improve ADPICS user efficiency by removing approximately 4,000 invalid ADPICS vendor records.
- Created agency requested enhancement to display ADPICS contact information on Vendor Profile screens in the accounting system.
- Prepared non-production region jobs scheduler calendar.
- Performed agency requested enhancement to display the vendor profile status from the accounting system in the purchasing system.
- Consistent with the requirements related to the Oregon Consumer Identify Theft Protection Act, SFMS staff updated purchasing system print jobs to redact the vendor number, which may be a social security number, on printed reports and forms.

Beyond 2009

- Update Technical Manual with business function and process information.
- Analyze ADPICS data to determine a logical methodology for purging.

Performance Measures

We believe accomplishing the objectives listed below contributes to the achievement of the Statewide Financial Management Services goals to:

- Ensure accurate and efficient payments for state services.
- Ensure the system performs to specifications of its users.
- Ensure state agencies and their employees receive the information and guidance they need to perform their duties.

Primary Objective 1 for Operations: Outstanding G/Fund Bank Reconciliation Items Over 60 Days from Last Reconciliation

Primary Objective Indicator and Related Performance Measure	Performance Goal
PM 1-1 Number of warrants issued	141,000
PM 1-2 Number of payments made via direct deposit	9,000
PM 1-3 Number of vendors signed up for direct deposit (net gain)	200
PM 1-4 Number of forged warrants unresolved during reporting period	2
PM 1-5 Number of batches remaining unresolved at end of month close	40
PM 1-6 Number of agencies with unresolved batches at end of month close	15
PM 1-7 Percentage of warrants expired vs. issued (annual)	.50%

Primary Objective 2 for A&D: Service Maintenance Requests (SMRs) Completed During Reporting Period

Primary Objective Indicator and Related Performance Measure	Performance Goal
PM 2-1 Total number of hours for SFMS to finalize SMRs completed during reporting period	200
PM 2-2 Total number of outstanding SMRs	30
PM 2-3 Total number of SMRs received during reporting period	N/A

Primary Objective 3 for Administration: Number of Training Hours Provided to Agency Accountants

Primary Objective Indicator and Related Performance Measure	Performance Goal
PM 3-1 Number of pages of formal documents published for agency use	80

Primary Objective 4 for Operations: Percentage of 1099-Misc Forms Issued vs. Notice 972CG Errors (% of 1099's that are not a match with the IRS)

Primary Objective Indicator and Related Performance Measure	Performance Goal
PM 4-1 Percentage of W-9s sent to vendors vs. W-9s received back	75%

Primary Objective 5 for A&D: Number of SFMA Inbound Interfaces in Production (SFMA System testing required due to new activity from agencies)

Primary Objective Indicator and Related Performance Measure	Performance Goal
PM 5-1 Number of new production interfaces migrated in reporting period	4
PM 5-2 Total count of interfaces in Acceptance test status at end of reporting period	6
PM 5-3 Number of existing interfaces removed and/or replaced by new production interface (# 5-1)	2

Acknowledgements

The entire SFMS staff has played an integral part in building this business plan from its inception. With the team's thoughtful contributions and agency input, our business plan for 2008–2009 is both comprehensive and realistic. SFMS staff invested many hours in planned as well as emergent projects throughout the year. The SFMS staff is deeply appreciated.

Statewide Financial Services

SFS

**2008–2009
Business Plan**

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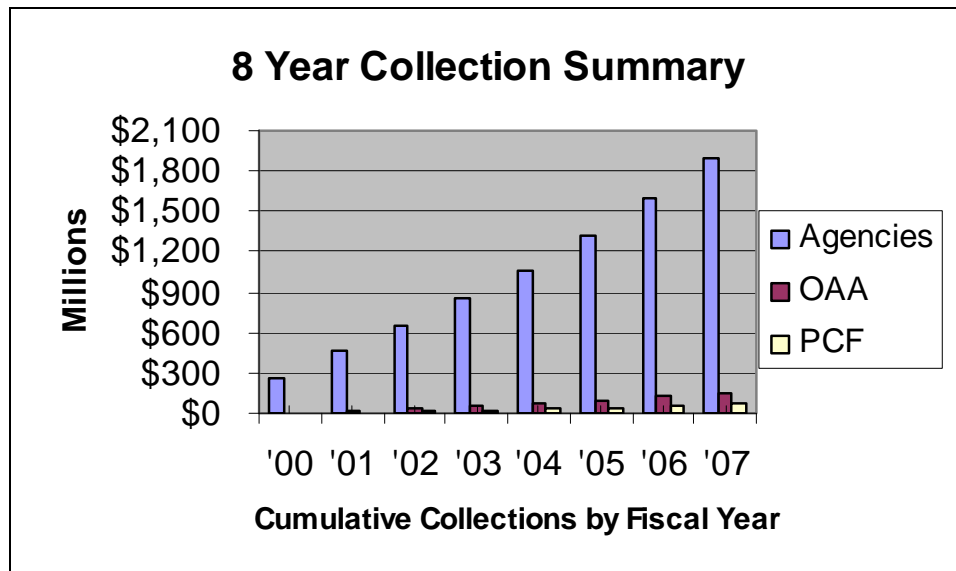
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Statewide Account Receivable Management

Purpose Statement

The Statewide Accounts Receivable Unit, with support from the Accounts Receivable Core Committee (ARCC) provides leadership, focus, coordination, and information on available training for accounts receivable management.

The Statewide Accounts Receivable Unit will provide advice on best practices for receivables and collections. The unit will facilitate development of a Strategic Plan to enhance collections and will work with agencies to adopt a common framework and guidelines for receivables, including management and reporting standards. The unit will research existing and emerging technologies with the goal of increasing revenues and lowering cost. The ARCC will promote a balanced and economical business approach to accounts receivable collections and will develop policies and standards through the Department of Administrative Services to improve accounts receivable management and collection practices.



The Statewide Accounts Receivable Unit and ARCC hold the following behaviors in high regard:

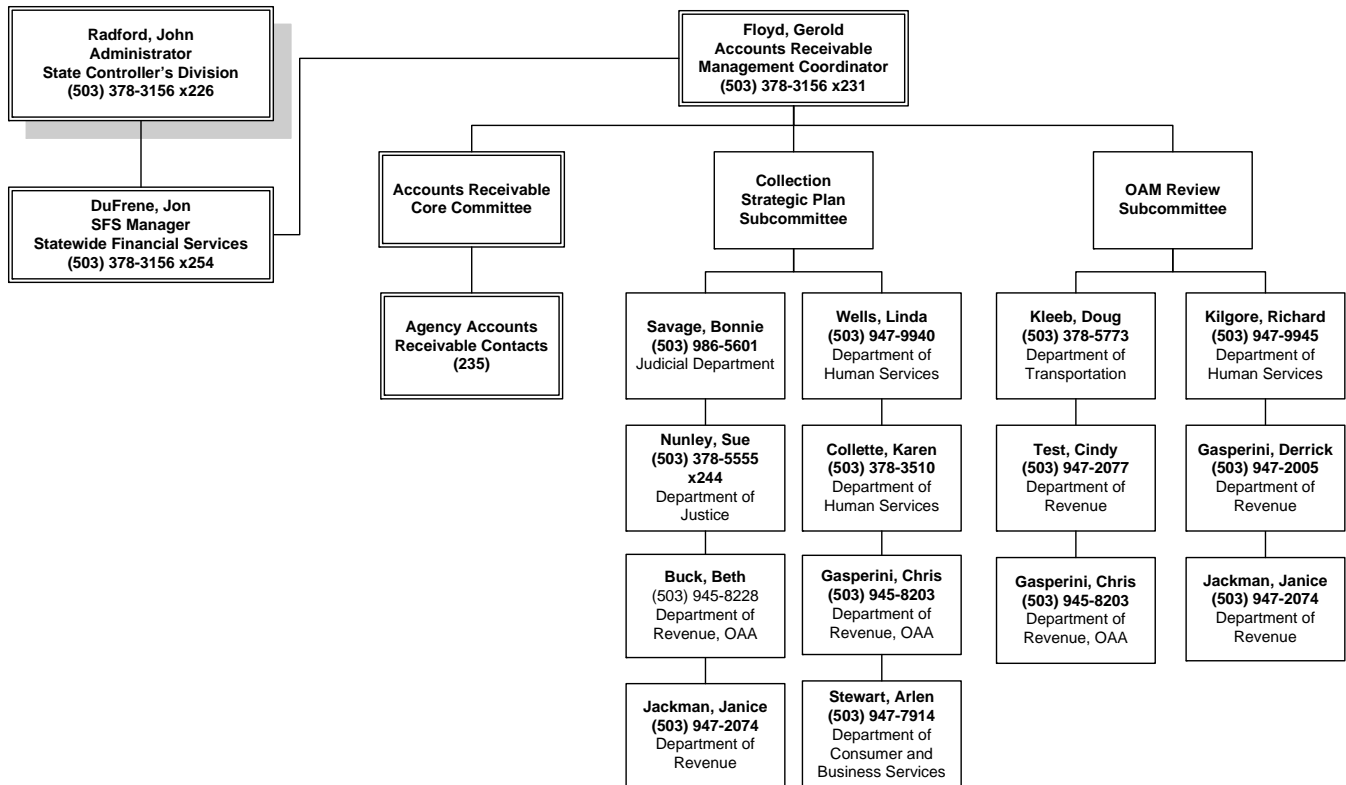
1. Positive, Can-Do and Customer Friendly Attitude: Provide enthusiastic and prompt response to customers; respond to phone calls and emails the same day with appropriate follow-through.
2. Leadership: take the initiative to identify and change policies and procedures for the better.
3. Communications: Listen to customers and agencies and link their concerns to operational activities. Keep customers and their stakeholders informed on the status of special projects and customer requests. Ensure information and tools on website are up-to-date.
4. Continuous Improvement: Be open to new approaches and opportunities make things better and accomplish the goals of the Statewide Accounts Receivable Unit.
5. Teamwork: Build and enhance partnerships within the committee, state agencies, and stakeholders to accomplish goals.

Organization

The ARCC was formed in response to concerns of the Legislature to improve the State of Oregon's Accounts Receivable Collection and Management. They held their first meeting September 8, 1999, and continued to meet the 2nd and 4th Wednesday of each month. This committee replaced the Debt Collection Committee whose primary focus was on collections. Currently the committee is in their eighth year and meets once a month. The ARCC represents a statewide perspective and provides a forum for dialogue on accounts receivable management and collection enhancement. This committee is chaired by the Statewide Accounts Receivable Management Coordinator and includes both financial and collection staff from a variety of state agencies boards and commissions. From time to time, subcommittees will be formed to address specific issues being considered by the committee. Current or anticipated subcommittees will be or have been addressing the following topics:

1. Accounts receivable and collection technology
2. ARCC Strategic Plan
3. Overpayment collections
4. Statewide Performance Measures
5. Oregon Accounting Manual policy review
6. Private Collection Firm contract review and improvement

Organization Chart



Authority and Responsibilities

In accordance with **ORS 291.015, 293.233, ORS 293.590** and **ORS 293.600**, the Department of Administrative Services (DAS) is required to coordinate internal accounting and financial affairs, which may require financial reports from all state agencies. A State agency, as defined by **ORS 293.227**, means “any officer, board, commission, department, division or institute in the executive or administrative branch of state government,” unless specifically exempted by statute.

All state agencies are required by **ORS 293.231, ORS 293.240, ORS 293.245, ORS 293.250** and **ORS 646.639** to follow departmental procedures for writing off uncollectible debts owed to state agencies, receiving and handling moneys through collection of receivables, and continually abiding with lawful debt collection practices.

All state agencies are required by **ORS 293.229** to report the status of liquidated and delinquent accounts receivable as of June 30 to the Legislative Fiscal Officer by October 1, of each fiscal year, unless specifically exempt.

State agency responsibilities for reporting and collecting receivables are outlined in OAM Chapter 35.

- Each agency of the state shall be responsible for recording accounts receivable according to GAAP principles and OAM 15.35.00 and for collection of amounts owed to the agency and their clients.
- Each agency having accounts receivable shall identify at least one person as point of contact for the management and collection of amounts owed to the agency and their clients. This person will insure agencies meet the reporting requirements of Oregon Law 1999 chapter 1092, now codified at **ORS 293.227** et seq.

Stakeholders

- State agencies, Boards, Commissions, and their clients
- Debtors of the state
- Private collection firms
- Governor and lawmakers
- Public

Goals, Objectives, Deliverables, Timeline

- **Leadership-** Develop a statewide vision of accounts receivable management and collections by encouraging new ideas, policies, plans, and standards.
- **Focus-** Increase the awareness of accounts receivable management and collection practices through research and information.
- **Coordination-** Assist agencies to implement objectives and improve collections through adaptation and communication.
- **Training-** Provide agency staff with educational and training opportunities.

Statewide A/R - Leadership		
Objectives	Deliverables	Timeline
Develop and update statewide accounts receivable policies and procedures within the Oregon Accounting Manual.	Policies and procedures in the OAM will list definitions, reporting requirements, the statewide exemptions, policies for collecting liquidated and delinquent accounts receivable, and policies for writing off liquidated and delinquent accounts receivable. Policies and procedures can be used to train staff, will improve efficiencies and eventually become standardized state practices.	Full review completed by June 2009 Ongoing
Develop statewide strategic plan to reduce percentage of liquidated and delinquent accounts receivable.	Identify within the plan areas to improve efficiencies and techniques of collection. Work with Strategic Plan Committee to prepare annual Strategic Plan Report.	January of each year
Monitor private collection firms contract compliance according to contract standards.	Survey State Agencies to assess Private Collection Firm's (PCF) performance. Follow process in collection contract to document and address issues involving contract violations by the PCFs. Work with private collection to resolve issues.	Survey twice each year Ongoing
Collect and compile current agency collection practices (automated and manual).	Develop standardized benchmarking for agencies to use as comparative analysis tools. Benchmarks need to be based on agency technology, resources, and debtor types.	Ongoing
Evaluate improvements to statewide accounts receivable programs.	Annual comparison of previous year to current year agency reports. Fact-finding and information sharing on agency success stories.	Each December
Assist agencies with implementation of data protection measures	Work with agencies that maintain consumer and/or debtor information to understand the protection requirements of the law and the notification requirements in the event of a data breach.	Ongoing
Serve as a consultant for agencies implementing or evaluating their collection systems.	Provide policy guidance in a consulting role to agencies evaluating their existing collection systems or selecting and implementing a new collection system.	Ongoing

Statewide A/R - Focus		
Objectives	Deliverables	Timeline
Research technology to increase accounts receivable collections.	Keep informed on 'cutting edge' technology and evaluate what is available and what works. Work with Treasury to find ways to expedite payment processes between agencies, private collection firms, and debtors. Work with Treasury to address additional payment methods agencies can offer.	Ongoing
Identify sources of information that would assist state agencies to enhance/increase state collections.	Keep in touch with other states, using them as an educational resource. Streamline information sharing on accounts receivable collection activity from other government sources and the private sector sources.	Ongoing
Hold periodic meetings to explore debt collections "best practices," "process policy changes," and "pass-on information from other states."	Understand how agencies currently collect receivables for evaluation of 'proven' state methods. Facilitate information sharing between agencies. Share information gleaned from other states. Coordinate presentations and the distribution of informational literature on correlation topics.	Ongoing

Statewide A/R -Coordination		
Objectives	Deliverables	Timeline
Implement standardized statewide liquidated and delinquent accounts receivable report.	Work with the Legislative Fiscal Office to develop and implement standardized statewide receivables report format and guidelines.	August - September of each year
Coordinate the development of statewide strategic plan with ARCC subcommittee.	Coordinate the Strategic Plan subcommittee to develop the statewide strategic plan for agencies to use when addressing collection issues.	January of each year
Implement the plan objectives of the Strategic Plan to reduce percent of liquidated and delinquent accounts.	Coordinate efforts of agencies, OAA and PCFs to implement plan objectives to improve efficiencies and techniques of collection.	Ongoing
Suggest improvements to statewide accounts receivable programs.	Monitor, coordinate, and expose improvements to accounts receivable and collection programs. Explore opportunities for improvements or automation to monitor accounts receivable management reporting and collection.	Ongoing
Provide information to increase accounts receivable collection.	Increase collection effectiveness, maximize technological innovation, and share productive collection techniques.	Ongoing

Statewide A/R -Coordination		
Objectives	Deliverables	Timeline
Assist in coordinating agency pilot projects.	Identify pilot projects that make collecting and reporting accounts receivable easier to perform and administer.	Ongoing
Communicate sources of information that would assist agencies to enhance/increase state collections.	Increase collection effectiveness through sharing productive collection techniques, coordinating the dissemination of information and maximized technological innovation. Maintain Oregon Accounting Manual policies and procedures. (OAM Chapter 35) Provide information pertaining to accounts receivable collection on SWARM web pages.	Ongoing
Suggest improvements to statewide accounts receivable programs	Monitor, coordinate, and expose improvements to accounts receivable and collection programs. One of the functions of the ARCC meetings. Explore opportunities for improvements or automation to monitor accounts receivable management reporting and collection.	Ongoing
Facilitate and monitor the statewide collection contract	Coordinate the efforts of the Private Collection Firms to implement the terms of the collection contract and facilitate increased communication between the contractors and state agencies.	Ongoing
Facilitate the creation of a statewide matrix of collection systems used by agencies	Coordinate with agencies to communicate the various collection systems that are used and the evaluation of future needs.	Spring 2009

Statewide A/R -Training		
Objectives	Deliverables	Timeline
Conduct training needs assessment and identify training opportunities and establish resources	Determine what areas training should focus on so agency time is productive and used effectively. Develop topics and identify candidates for semi-annual workshops/conferences to promote continuing education on collection issues. (½ day, all day, etc.)	Ongoing Fall / Spring
Provide information for training employees working on accounts receivable and collections	Facilitate training opportunities for state agencies.	Ongoing
Provide specific training sessions	Conduct training on SCD OAM policies and procedures. Conduct training on properly completing the data entry requisites for the liquidated and delinquent report.	Ongoing August of each year

Performance Measures

The Account Receivable unit accounts for the following performance measures on an annual basis:

- Accounts Receivable reported as a percentage of total revenue.
 - Dollar collection rate on liquidated and delinquent accounts.
 - State Agency dollar collection rate on liquidated and delinquent accounts.
 - Other Agency Account Unit dollar collection rate on liquidated and delinquent accounts.
 - Private Collection Firm dollar collection rate on liquidated and delinquent accounts.
- Statewide account turnover rate.
- Total amount of interagency delinquencies.

The following are reported on a quarterly basis:

- Number of ARCC meetings and training session held during the reporting period.
 - The number of pages of OAM and SWARM planning documents finalized during the reporting period.
 - The number of training hours provided to agency Accounts Receivable staff.

Issues

1. Oregon Revised Statutes provide authority for access to information or actions that assists in debt collection activities. Dept. of Justice Child Support Enforcement has the broadest access. Discuss options with agencies regarding the sharing of information to improve collections.
2. Statewide Vendor Offset: Support building a business case analysis based on data gleaned through contacts made with other states. The business case will compare state processes, statutory similarities, the degree of centralized payment processing systems, and the volume of payment activity. It will develop costs and ROI to determine the viability of such a system in Oregon. Also consider other alternatives like piggybacking on the federal tax offset program and considering legislation to improve collections when assets are identified.
3. Common issues: (1) hiring issues related to revenue agents; (2) corporate veil - officer responsibility; (3) vendors currently sign a contract to do business with the state. Perhaps vendor financial responsibilities to state agencies should be included.
4. Collection tracking system- Employment Department has a custom system; DOR has a system in place, coordinate with agencies to build a statewide matrix of technology being used.
5. Study gains made by DHS and DCBS through their warrant authority granted by the 2003 Legislative Session.
6. A/R Training and information sharing for collection issues and reporting requirements.
7. Collection policies and techniques, and account write-offs.
8. Data security and impact of SB 583 regarding consumer identity protection.

Recent Trainings

Date	Subject	Instructor/Contact
August 2007	LFO Overview.	Gerold Floyd and Dallas Weyand
September 2007	Payment options and building the business case	Rhonda Bachmann and Gerold Floyd
March 2008	A/R Collections and reporting training at the Small Agency Head Meeting	Gerold Floyd

Accomplishments

Date	Subject
December 2007	Completed analysis of LFO reporting data.
February 2008	Posted RFP for Skip Tracing and Locate Services.
February 2008	Published FY 2007 Strategic Plan.
March 2008	Drafted four legislative concepts for 2009 session.
June 2008	Participated on evaluation committee for DHS Integrated Collections Management RFP.

Upcoming Special A/R Projects

Date	Subject
Ongoing	Provide Legislation analysis for bills passed.
Ongoing	Continue Web site maintenance.
Summer 2008	Post revised RFP for statewide contract for skip-tracing services.
Fall 2008	Work with the Legislative Fiscal Office and agencies for FY 08 liquidated and delinquent A/R reporting process.
Winter 2008	Coordinate annual survey of Private Collection Firm performance under statewide contract.
Spring 2009	Complete annual review of A/R policies in the Oregon Accounting Manual.
Spring 2009	Develop methodology for calculating the costs of collecting delinquent debts and recommendations for agency standards.

E-Commerce

Purpose Statement

Provide oversight, guidance, support, leadership, direction, and accountability to the DAS EISPD E-commerce Program, through statewide policies, procedures, and laws to promote the accurate, efficient, safe and secure operation and implementation of the enterprise internet payment solution, SecurePay.

Purpose

E-commerce was designed to assist agencies in reducing costs, promoting efficiencies, improving internal controls, and providing superior customer service in new and innovative ways.

The E-commerce Financial Operations unit provides leadership, coordination, and training to state agencies on the use of enterprise electronic payment solutions.

The unit provides guidance on best practices for e-commerce transactions and electronic credit card processes. We will work with agencies to adopt a common framework and guidelines for e-commerce practices, including management, internal controls, and reporting standards. We will research existing and emerging e-commerce transaction technologies with the goal of increasing revenues, improving internal controls, increasing security and lowering cost. Efforts and partnerships will promote a balanced and economical business approach to e-commerce practices. We will assist the Department of Administrative Services E-government Program to develop policies and procedures, security and internal controls, and standards of best practices.

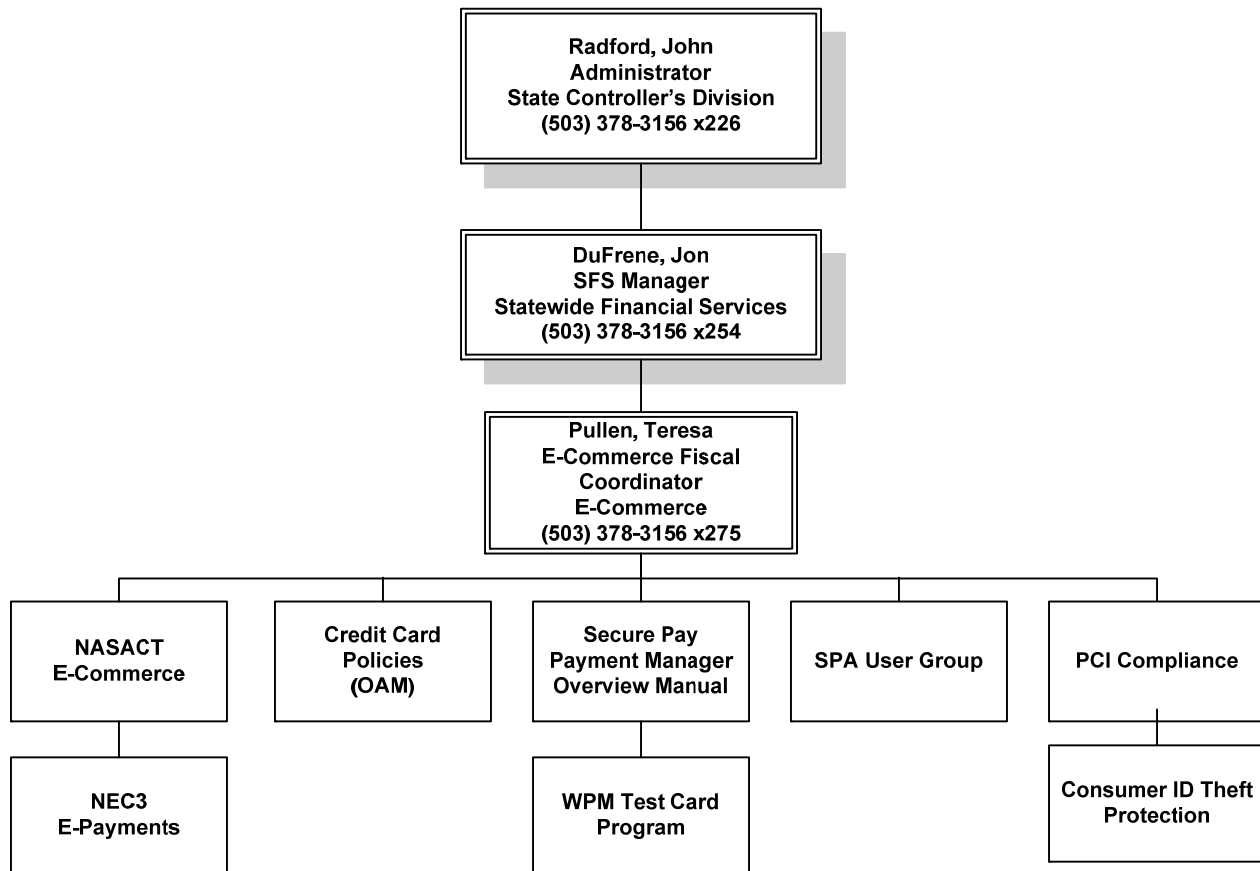
Organization

The E-government Program was developed as a result of the Executive Order¹ that charged EISPD “with the coordinating and facilitating the use of Internet-based information technology by public agencies to deliver information, services, and electronic access to citizens and businesses.” E-commerce Financial Operations is the business component of the E-government Program and works with the EISPD E-government Program, EDS, Enterprise Security Office (ESO) the Oregon State Treasury, and each state agency’s business functions.

E-commerce Financial Operations partners with state agencies to develop and monitor business requirements for the on-line enterprise credit card solution to ensure proper management of the fiscal and technological characteristics of this new delivery channel.

¹ Governor’s Executive’s Order Number 01-25

Organizational Chart



The E-commerce Financial Operations and partnering agencies hold the following behaviors in high regard:

- Positive, Can-Do Attitude: Promote and provide enthusiastic, helpful, courteous, and prompt response to customers.
- Leadership: Take the initiative to understand agency needs in order to change policies and procedures to further improve process and gain efficiencies where possible.
- Communications: Strive to keep others accurately, openly, and frequently informed.
- Continuous Improvement: Continuously look for ways to improve processes to benefit agencies and enhance state government overall.
- Teamwork: Collaborate with state agencies, stakeholders, and vendors to accomplish the objectives of the E-commerce Program.

Authority and Responsibilities

In accordance with **ORS 291.015**, **ORS 293.233**, **ORS 293.590**, **ORS 293.600** and **OAM 10.65.00**, the Department of Administrative Services (DAS) is required to coordinate internal accounting and financial affairs, which may require financial reports from all state agencies. State agency, as defined by ORS 293.227, means “any officer, board, commission, department, division or institute in the executive or administrative branch of state government,” unless specifically exempted by statute.

In accordance with Executive Order No. 01-25, DAS Enterprise Information Strategy and Planning Division (EISPD) is charged with coordinating and facilitating the use of Internet based information technology. These services must be delivered in an efficient, user-friendly manner, and facilitate citizen access and customer satisfaction. State agency responsibilities for credit card transactions are outlined in OAM Chapter 10, Internal Control.

Each agency of the state shall be responsible for recording and reconciling the credit card transactions processed through their individual Merchant Accounts.

Stakeholders

- State agencies and their customers
- Public
- Customers of the state
- Governor and lawmakers
- E-government Program

A memorandum of understanding between Oregon State Treasury (OST) and Department of Administrative Services (DAS) regarding E-Commerce activities was signed in June 2008. The points of understanding cover roles and responsibilities.

Goals, Objectives, Deliverables, Timeline

Leadership: Development of ideas, policies, plans, procedures, and standards to assist agencies in complying with applicable rules, laws, and regulations.

Focus: Research to increase awareness for e-commerce trends, including data integrity, confidentiality and security.

Coordination: Implementation, adaptation, and communication.

Training: Provide and receive educational information and opportunities for training.

Goals – Leadership		
Objectives	Deliverables	Timeline
Develop and update statewide policy and procedures within the Oregon Accounting Manual.	<p>Policies and procedures in the OAM that will list definitions, internal control requirements, processing requirements, and best practices.</p> <p>Policies and procedures can be used to train staff, improve efficiencies, and eventually result in standardized state practices.</p>	Ongoing
Payment Card Industry-Data Security Standards (PCI-DSS)	Keep updated on the latest industry compliance standards. Provide oversight and leadership over the e-commerce program on the current data security standards.	Ongoing

Goals – Leadership		
Objectives	Deliverables	Timeline
Protect the accuracy and integrity of statewide financial information.	Reduced risk and expense of handling cash and checks. Improved accuracy through system edit checks and eliminating duplicate manual data entry. Advocate strong internal controls that reduce internal and external risks associated with SecurePay and interfaces into R*STARS. Provide oversight and security of e-commerce fiscal operations.	Ongoing
Document and update documentation on the standardized e-commerce processes for agencies.	Ensure consistent process by documenting and updating documentation on all necessary steps in the e-commerce process.	Ongoing
NASCAT/NECCC E-commerce Best Practices.	Keep updated on national e-commerce and lessons learned.	Ongoing

Goals – Focus		
Objectives	Deliverables	Timeline
Identify resources to enable state agencies to enhance/increase state E-commerce application.	Keep in touch with other states, using them as an educational resource. Streamline information sharing on e-commerce activity from other government and private sector sources. Keep informed on 'cutting edge' technology and evaluate what is available and what works and position the states for future opportunities.	Ongoing
Coordinate/Participate in meetings to explore e-commerce best practices, process and policy changes, and provide information learned from other states.	Facilitate information sharing between agencies. Coordinate presentations and the distribution of informational literature on associated topics. Sharing of information through email contact lists. Continue to update the SFS website and SPA Portal as new information becomes available.	Ongoing
Develop standardized statewide reconciliation recommendations.	Develop standardized reconciliation procedures for agencies implementing the on-line e-commerce application. Explore opportunities for improvements or automation to the reconciliation process between agency financial data and Treasury.	Ongoing
Stay abreast of new web-based payment options.	Pursue methods for implementing/integrating new payment options: ACH, e-checks, Debit, etc. Research new or rapidly developing web-based payment options.	Ongoing
Track and monitor e-commerce statistics.	Analyze data to predict trends, improve processes, and market services.	Ongoing

Goals – Coordination		
Objectives	Deliverables	Timeline
Suggest improvements to statewide programs, including credit card processing.	Monitor, coordinate, and recommend improvements to agency programs and processes. Implement plan to improve efficiencies and techniques of on-line credit card processing.	Ongoing
Communicate sources of information that would assist agencies to enhance/increase e-commerce adoption rates.	Sharing, coordinating, and disseminating information to enhance e-commerce. Increase effectiveness, maximize technological innovation, and share productive techniques.	Ongoing
Hold periodic meetings to determine, explore, and share best practices, process and policy changes, and share information learned from other resources.	Determine effective methods to maximize technological innovation, and share productive processes and policies.	Ongoing

Goals – Training		
Objectives	Deliverables	Timeline
Conduct training needs assessment and identify training opportunities and establish resources for agencies developing their e-commerce applications.	Determine what areas training should focus on so that agency time is productive and used effectively. Develop topics and identify candidates for workshops/conferences to promote continuing education on e-commerce issues. (½ day, all day, etc.)	Ongoing
Provide information for training.	Facilitating training opportunities for state agencies.	Ongoing
Provide specific training sessions.	Conduct training on DAS' OAM policies and procedures. Conduct training on SecurePay Payment Manager. Conduct training on PCI security standards.	Ongoing
Review agency reconciliation process and identify training opportunities to establish appropriate reconciliation process guidelines.	Determine whether agencies are completing reconciliation process, timely, accurately, and appropriately. Conduct training on recommended processes.	Ongoing

Performance Measures

The E-commerce unit monitors the following performance measures on an annual basis:

- Total dollars processed annually.
 - Year-over-year growth.
 - Average cost of merchant fees.
 - Total number of agencies online.
 - Total number of agency programs online.

The following performance measures are monitored quarterly.

- Number of SecurePay (SPA) meetings and training sessions held during the reporting period.
 - Number of pages of the SPA Manual and OAM updates finalized during the reporting period.
 - Number of training hours provided to agency fiscal, program, and IT staff.

Opportunities:

- Processes: Continue to work with E-government Program to update documentation on the standard processes and procedures, including the standard store offering.
- Security: Continue to work with DAS Enterprise Security Office (ESO) and OST to coordinate and monitor PCI compliance for Application Program Interface agencies and all e-commerce customers.
- Communications: Continue to work with the E-government Program in providing secure communication channels through the intranet. Work with state agencies to prioritize e-commerce change requests, training needs, and program priorities.
- Reporting: Continue to work with state agencies to evaluate reporting processes and needs for agencies using Secure Pay. Research the possibility of using Brio for reporting for obtaining necessary reports from E-Gov.
- Testing: Conduct acceptance testing of system modifications to ensure integrity of data. Assist in the development of acceptance testing plans as appropriate; assist with functional design of modifications; develop and document testing scenarios including expected results. Provide oversight and security of testing and production processes.
- E-commerce Prioritization Committee: continue to work with the E-commerce Prioritization Committee to analyze, review, and prioritize e-commerce projects within the E-government program; evaluate the goals of the committee as needed.
- Incident Response Team: Continue to work with the established Statewide Incident Response Team to react and respond appropriately and swiftly to intrusions to the Secure Pay system.
- Legislative Changes: Continue to monitor the need for potential legislative changes.
- Legislative Changes: Continue to monitor new Federal and State legislation that affects e-commerce.
- PCI Changes: Continue to monitor new Payment Card Industry standards and updates for changes and clarification of security standards for online e-commerce.

Training and information sharing for E-commerce Best Practices, Secure Pay Payment Manager, and Credit Card Application Process.

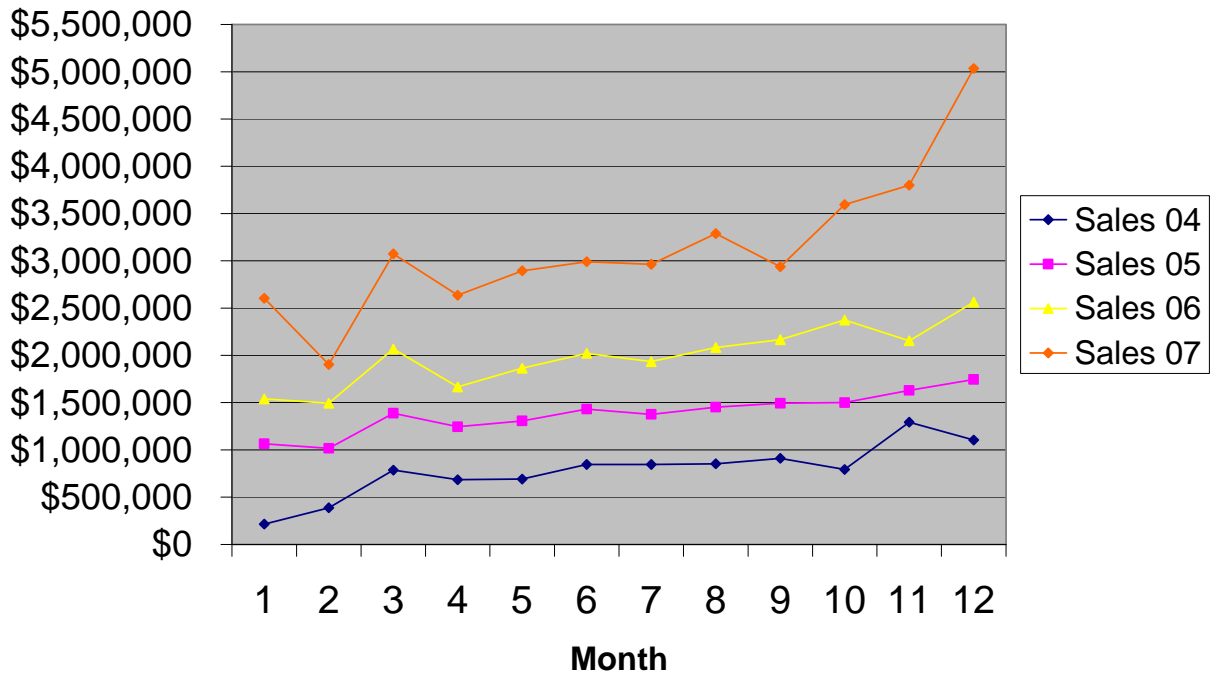
Date	Subject	Instructor/Contact
Ongoing	SPA User's Group	Teresa Pullen
Ongoing	E-commerce Prioritization Committee	Teresa Pullen
Ongoing	PCI Training	Teresa Pullen
Ongoing	SPA Training (Enhancements)	Teresa Pullen
Ongoing	Consumer Identity Theft Protection Act	Teresa Pullen

Current Program and Project Status

As of June 2008, 19 state agencies were accepting credit card payments over the internet via SecurePay, with a total annual transaction amount exceeding \$37.7 million dollars in 2007 and a prediction of \$45 million for calendar year 2008.

- | | |
|--|------------------------------|
| Marine Board | Nursing Board |
| DCBS | ODOT (Motor Carrier and DMV) |
| DAS-SPO | DAS-Surplus Property |
| EMP Child Care Division | Legislative Counsel |
| OR Health Licensing Agency | Real Estate Agency |
| Radiologic Technology | Occupational Therapy |
| Counselors & Therapists | |
| Oregon State Library Talking Books (TBABS) | |
| Department of Justice, Criminal Victims Assistance Services | |
| Water Resource Division – Smart cards & Well driller license | |
| Secretary of State (SOS)-BERI, CBR, and Candidate Filing | |

SPA Sales 2004-2007



The following 21 state agencies are in the process of implementing e-commerce applications on line:

- | | |
|--|----------------------------------|
| Oregon Fish and Wildlife | Oregon Liquor Control Commission |
| OR Dept. of Energy | Supreme Court / Court of Appeals |
| OJD Multnomah County | OR Parks & Recreation |
| Board Clinical Social Workers | Nursing Home Administrators |
| OR Board of Dentistry | OR Board Naturopathic Examiners |
| Veterinary Medical Examiners | DHS Public Health |
| Physical Therapy Licensing | OR Mortuary & Cemetery Board |
| Board Licensed Dietitians | OR Cultural Trust |
| OR Medical Board | Aviation |
| Board of Speech-Language Pathology & Audiology | |
| OR Health Licensing Agency Phase II | |
| OR Dept of Environmental Quality | |

SCD is currently working with E-Government, EDS, ESO, Treasury, state agencies, NASACT, and NECCC to address the following topics:

1. Statewide E-Commerce Policy
2. Reporting Requirements
3. Legislative Issues

4. Training Coordination
5. Best Practices
6. Ensuing Issues (ACH, e-checks, etc.)
7. Payment Card Industry Data Security Standards (PCI)
8. Standard Delivery Services (Generic Store)
9. Documenting Standard E-commerce Processes and Procedures
10. Consumer Identity Theft Protection Act

2007/2008 Accomplishments

Date	Subject
Fall 2007	Update SPA (SecurePay Administrator) Overview Manual and “The Readiness Handbook Getting Prepared for E-commerce” agency document.
2007 - 2008	Maintained the SPA User group, providing guidance and training for group.
2007- 2008	Chaired E-commerce Prioritization Committee, providing e-commerce project prioritization to the E-government manager.
Fall & Spring 07-08	Worked with Water Resource Division, Oregon Judicial Department, Radiologic Technology, EMP Child Care Division, Occupational Therapists, Counselors & Therapists, ODOT DMV & MCTD, Marine Board & Secretary of State to implement new e-commerce applications.
Spring 2008	Participated in documenting standard e-commerce service offerings for state agencies, updating the SOW & SLA.
2007– 2008	Coordinated with Enterprise Security Office and agencies to adhere to PCI Compliance standards for e-commerce application; coordinate quarterly scans.

Special Projects

1. Participated in NASC E-commerce Information Sharing Group teleconferences to gain and share knowledge of “best practices” with other states. Oregon moderated the call every 4th quarter.
2. Participated with NECCC e-payments group.
3. Partnered with ESO to manage PCI Data Security contract with Coalfire and provide PCI specific training to agencies.
4. Coordinated PCI compliance efforts with ODOT, DCBS, and the SDC.

Statewide Internal Control Operations

Purpose of Unit

The Statewide Internal Control unit is responsible for developing and managing the statewide financial internal control program. The unit's primary focus is assisting agencies in establishing and maintaining effective systems of financial internal control. A properly designed system of financial internal control provides agency management a coordinated set of policies, procedures, and business practices that can be used to (1) safeguard state-owned assets; (2) encourage employee compliance with policies, laws and regulations; (3) ensure accurate and reliable accounting records; and (4) prevent and detect fraud.

To accomplish its purpose, the Statewide Internal Control unit initiates and implements internal control policies and procedures having a statewide effect and identifies training opportunities and develops resources for agencies to use to document and evaluate their fiscal controls. The unit also serves in a consulting role, reviewing agency policies and processes upon request and follows up with agencies when there are repeat audit findings. Finally, the unit is tasked with keeping abreast of emerging issues that may have statewide implications, including guidance issued by the Office of Management and Budget related to internal controls in the federal government, as well as Congressional legislation and Securities and Exchange Commission rules that govern internal controls in the private sector.

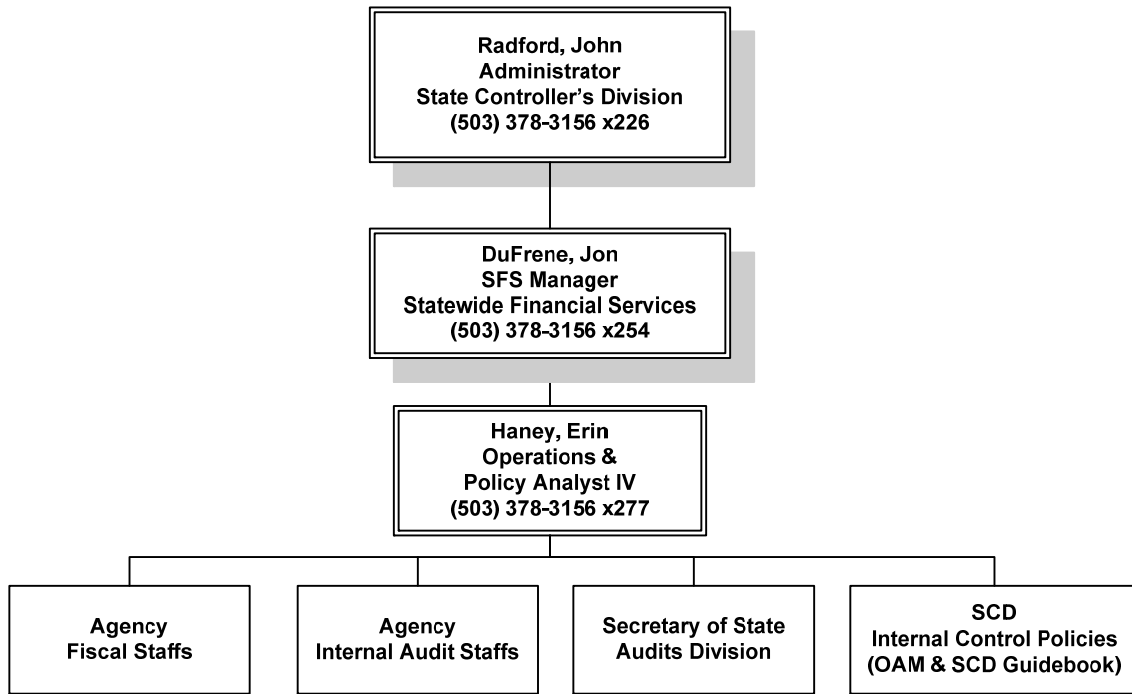
The internal control unit also works with other sections within the State Controller's Division (SCD) in coordinating and monitoring SCD legislative concepts and evaluates and tracks the progress of **all** legislation that may impact SCD's statewide responsibilities. Finally, this unit supports SCD operations; interprets financial policies and regulatory requirements; and supports internal management of SCD projects and other statewide responsibilities.

Organization

The Statewide Internal Control unit was formed in February 2004.

The unit partners with internal auditors and financial managers and their staffs within State agencies and Secretary of State, Audits Division to develop best practices for establishing, evaluating, and monitoring internal controls. The unit also works very closely with the other sections within SCD, helping them resolve internal control questions that may arise in connection with financial reporting, the statewide accounting system, payroll processes, shared client services, accounts receivable and e-commerce.

Organization Chart



The Statewide Internal Control unit strives to incorporate the following values in the conduct of its operations:

- **Positive, Customer-Friendly Attitude:** Provide enthusiastic and prompt support to customers; respond to phone calls and emails the same day with appropriate follow-through.
- **Leadership:** Be a positive change agent; model and reinforce ethical behavior; identify opportunities to update and improve policies, processes; training.
- **Communication:** Listen to customers and agencies and link their concerns to operational activities. Keep customers and other stakeholders informed on the status of special projects and customer requests. Ensure information and tools on website are up-to-date.
- **Continuous Improvement:** Be open to new approaches and new directions in the way the internal control unit accomplishes its goals.
- **Teamwork:** Build and enhance partnerships with agency internal auditors and financial managers and their staffs; Secretary of State, Audits Division; and other sections within SCD.

Authority and Responsibilities

ORS 291.015 states that the Department of Administrative Services (DAS), under the direction of the Governor and as provided by law, is responsible generally for the administration and coordination of internal accounting and other affairs, controls, procedures and services of a fiscal nature of the state government and agencies thereof. ORS 293.590 empowers DAS to direct and control the accounting for all the fiscal affairs of the state government and agencies thereof and to provide for the maintenance of the accounting records for those fiscal affairs.

Goals, Objectives, Deliverables, Timeline

- **Leadership:** Develop a statewide vision of internal control, emphasizing how a strong control environment provides management reasonable assurance that an organization's goals and objectives will be achieved.
- **Focus:** Increase management's awareness of internal control trends and developments in both the private and public sectors.
- **Coordination:** Develop methods to measure compliance with standards of internal control, using matrices, surveys and interview techniques; develop new and/or update existing policies as needed to address control gaps; review agencies' internal control policies upon request; participate in and/or lead fiscal control assessments requested by agency heads and make recommendations; and solicit agency feedback on control issues.
- **Training:** Provide state employees with educational and training opportunities.

Internal Control Operations Goal - Leadership		
Objectives	Deliverables	Timeline
Promote a positive attitude toward and recognition of the importance of the control environment in achieving management's goals and objectives.	<ul style="list-style-type: none"> • Reinforce concept of "tone at the top" and significance of ethical conduct by modeling appropriate behavior in all interactions with agency personnel. • Work collaboratively with agencies to establish and maintain sound control environment through participation in agency reviews; one-on-one consultations; development/clarification of policies, guidelines and tools to address internal control gaps; and delivery of relevant training. • Provide timely communication of relevant control issues by researching/developing articles for SCD's Internal Control newsletter. • Provide a working document offering guidelines for Fiscal Controls during an Emergency. Created the Financial Emergency Management document and published it to the Internal Control website. 	<p>Every day</p> <p>Upon request or when directed by DAS mgmt</p> <p>3 to 4 issues per year</p> <p>Completed 04/2008</p>

Internal Control Operations Goal - Leadership

Objectives	Deliverables	Timeline
Strengthen working relationships with agencies	<ul style="list-style-type: none"> Initiate/promote opportunities to interact with agency internal auditors, fiscal managers and other personnel to solicit ideas, serve as a sounding board, and incorporate feedback on control issues (e.g., Accounts Payable Forum, Payroll Forum, E-Commerce meetings, and other SCD work groups). 	Monthly/quarterly meetings

Internal Control Operations Goal - Focus

Objectives	Deliverables	Timeline
Identify and share sources of information to assist state agencies in establishing and monitoring their fiscal controls.	<ul style="list-style-type: none"> Serve as resource and consultant to agencies; share information and best practices gathered from other government sources (GAO, OMB, SEC and PCAOB) and private sector (AICPA, auditing firms and financial publications). Monitor/communicate current developments specific to <i>internal controls over financial reporting</i> (subset of COSO controls). 	As requested or when govt. & private sector sources are updated
Manage content for SCD web pages on internal control.	<ul style="list-style-type: none"> Develop new content; add relevant links; refresh existing content -- <i>Internal Control Guidebook, Self-Assessment Tools, Expenditure Authority Document</i> and other internal control tools available at SCD website. Develop new tools to add to existing set of internal control self-assessment tools: <ul style="list-style-type: none"> >> Inventory management process controls >> Fixed assets process controls 	Quarterly review 10/2008 12/2008

Internal Control Operations Goal – Coordination

Objectives	Deliverables	Timeline
Address identified control weaknesses at the activity level.	<ul style="list-style-type: none"> Assist agencies in evaluating their <i>internal controls over financial reporting</i> using the self-assessment tools available at SCD website (in order to avoid SAS No. 112 audit findings). In particular, assist agencies in improving effectiveness of controls over <i>year-end close process</i> (material nonroutine/ nonsystematic transactions; year-end closing adjustments and estimates; reconciliation processes/supervisory reviews). 	Upon request Upon request

Internal Control Operations Goal – Coordination

	<ul style="list-style-type: none"> • Identify <i>significant</i> recurring weaknesses identified in Federal Compliance Report that remain uncorrected after two years. Follow up on <i>material</i> weaknesses immediately. Work collaboratively with agencies to develop corrective action plans. Use findings to identify training opportunities and policy areas that need clarification. • Partner with the Statewide E-Commerce Coordinator to conduct an e-commerce process review for Oregon Real Estate Agency. • Partner with the Statewide E-Commerce Coordinator to conduct an e-payment process review for Oregon Aviation. • Use results of the agency assessment and other materials to develop a standard template for future e-commerce performance reviews. 	<p>04/2009</p> <p>Completed 11/2007</p> <p>Completed 11/2007</p> <p>Completed 01/2008</p>
<p>Address identified control weaknesses at the entity level.</p>	<ul style="list-style-type: none"> • Increase agencies overall awareness of the fraud risks and the importance of establishing anti-fraud programs and training. (The lack of a fraud awareness program is generally considered a <i>significant</i> audit finding under SAS No. 112.) • Increase focus on importance of achieving a proper segregation of duties, as single most important control for reducing risk of fraud. • Increase awareness of risks and encourage adoption of best practices related to contracting with third party information technology service providers (SAS No. 70). • Complete <i>DOC Food Services – Fiscal Controls Review</i> currently in progress, focusing on entity-level fiscal controls. (Two review teams were formed as result of recent procurement fraud at DOC – one team focusing on food quality; the other on fiscal controls). • Complete Dept. of Education – <i>Fiscal Controls Review</i>. Focus on electronic payment processes and grant controls. 	<p>When performing agency reviews or training</p> <p>When performing agency reviews or training</p> <p>When performing agency reviews or training</p> <p>Completed 11/2007</p> <p>Completed 03/2008</p>

Internal Control Operations Goal – Coordination		
	<ul style="list-style-type: none"> Establish working relationship with DAS Chief Audit Executive to address identified statewide control risks. 	Monthly/ quarterly meetings
Develop and update statewide internal control policies and procedures in the Oregon Accounting Manual (OAM).	<ul style="list-style-type: none"> Review existing policies to determine whether new policy is needed or existing policy needs clarification. Review agencies' internal control policies to ensure consistency and conformity with policies contained in the OAM. Partner with Statewide E-Commerce Coordinator to update the OAM policy 10.35.00 on Credit Card Acceptance to incorporate PCI-DSS compliance requirements; SAS 70 requirements for third party service providers; consumer protection legislation (SB 583). Partner with SCD application owners and ESO to update OAM policies 10.70.00 on IT controls and IT security. (Resolve conflict on "ASO" designation.) Partner with SCD and EISPD to update OAM policies 10.60.00 on IT controls. Update OAM policies on capital and non-capital assets to reflect changes in EISPD policy on managing IT assets. 	<p>When audit findings are released or business processes change</p> <p>Upon request</p> <p>Completed 04/2008</p> <p>12/2008</p> <p>Completed 10/2007</p> <p>When EISPD completes its policy review</p>

- Education and Training:
 - > Completed work with OSFA resulting in a statewide training session on ethics.
 - > Other training sessions contemplated for the ensuing year:
 - ✓ Fraud prevention and recognition
 - ✓ Program Manager public funds custodian training
- 2008 Oregon Special Legislative Session: Finalize schedules of enacted bills tracked by SCD.
- NASACT Multi-State Consortium on Internal Controls: Continue involvement in this national teleconference group.
- Agency reviews: Be prepared to lead/participate in agency review projects as requested by the State Controller or DAS Director's Office. Reviews completed included:
 - ✓ Real Estate Agency's e-commerce processes
 - ✓ Aviation credit card processes
 - ✓ Department of Correction's Food Services fiscal controls
 - ✓ Department of Education's Fiscal Review

Accomplishments

Internal Control Operations Significant Accomplishments	
Date	Subject
	<u>Policy Development</u> <ul style="list-style-type: none"> • OAM policies under review for changes: <ul style="list-style-type: none"> – Security Access to Financial Systems (10.70.00) • OAM policies under review for additional guidance: <ul style="list-style-type: none"> – Approval of Agency Head Transactions (10.90.00)
2007/2008	<u>Website Publication</u> <ul style="list-style-type: none"> • Published two additional editions of the <i>In Control</i> newsletter.
2007-2008	<u>Training Hours Provided</u> (no. hours x no. of students = xxx student hours in 2007–08) <ul style="list-style-type: none"> • Hosted numerous webcasts and training session on internal controls issues, internal control and financial reporting, fraud, ethics, SAS No. 112, etc. • Coordinated and hosted a special presentation from the Deputy Inspector of the Department of Homeland Security. Discussion included internal control issue around the Katrina Hurricane and practices that can help prevent misappropriations and financial errors during emergencies.

Internal Control Operations Significant Accomplishments	
Date	Subject
	<u>Agency Relationships</u> Worked with the following agencies in 2007-2008:
11/2007	<ul style="list-style-type: none"> • Department of Correction – Fiscal Controls Review
11/2007	<ul style="list-style-type: none"> • Real Estate Agency – E-Commerce Process Review
12/2007	<ul style="list-style-type: none"> • Department of Aviation – Credit Card Control Review
02/2008	<ul style="list-style-type: none"> • Department of Education – Fiscal Controls Review
02/2007	<ul style="list-style-type: none"> • Worked closely with audit managers at Secretary of State, Audits Division in planning and developing training on <i>Internal Controls over Financial Reporting</i> in response to recent change in auditing standards.
2007-2008	<u>Other Projects/Training</u> <ul style="list-style-type: none"> • Coordinated various speakers/program/webcasts in partnership with OSFA/AGA/NASACT and others. <p>Reviewed legislative bills on the <i>New Measures</i> web page each day during 2008 Special Legislative Session (newly introduced bills, amendments, enrolled bills); and assigned appropriate bills to SCD managers for review and monitoring.</p>

Business Continuity Planning

Purpose Statement

The Business Continuity Plan (BCP) is designed to mitigate any disruption of the DAS Critical Business Functions (CBFs). The goal of the BCP is to recover these functions as rapidly as possible. The plan contains the procedures that administration and employees will follow in the event of a business interruption, depending on the type of event, extent and duration.

State Controller's Division (SCD) will provide leadership both within the DAS BCP effort as well as the statewide BCP initiative through the EISPD Enterprise BCP office. SCD will participate on the many committees that support the BCP initiative.

Organization

DAS has formed the following teams to be on point in the event of a business disruption. These teams are :

- Assessment Team
- Crisis Management Team
- Business Continuity/Recovery Team
- Disaster Recovery Team (Network/Telecom)
- Payment Team

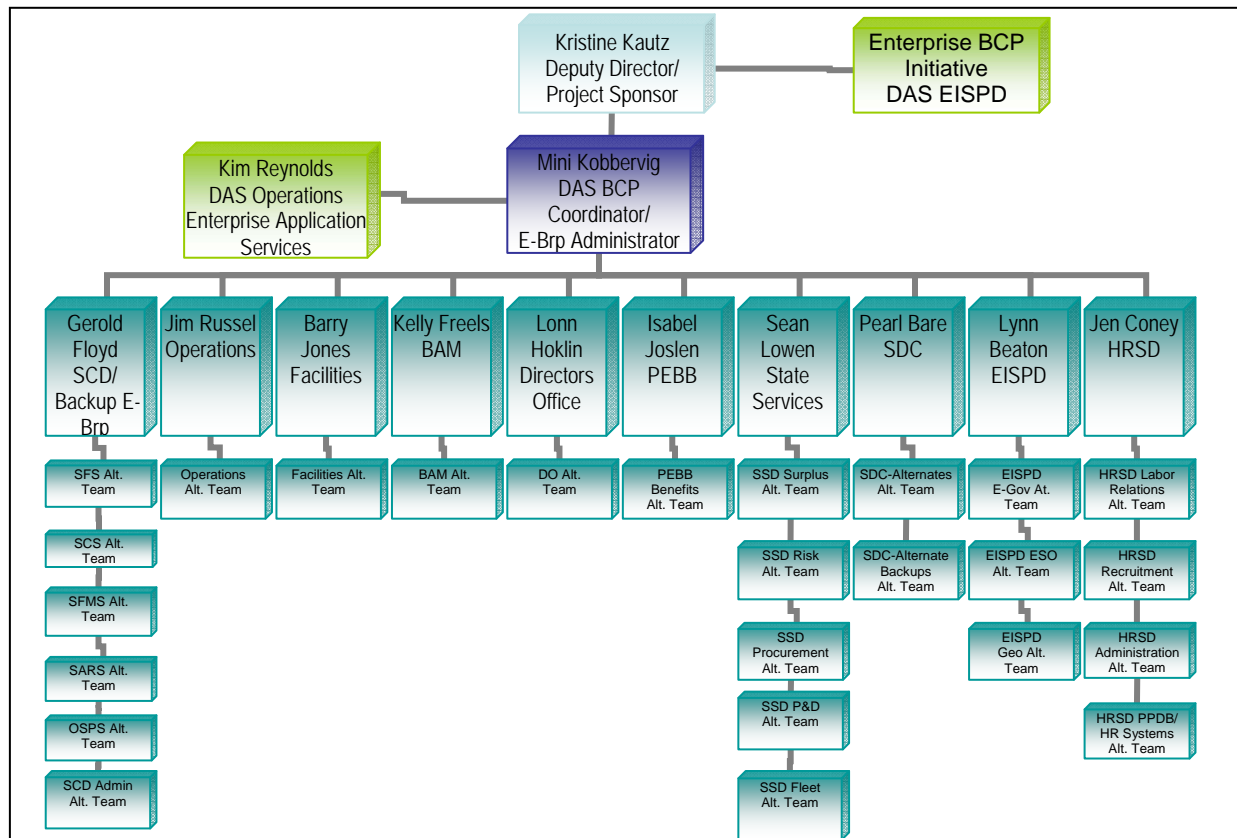
In addition, each Division has formed Operational/Functional teams that deal with their restoration/recovery of their critical business functions.

SCD has assigned a BCP Coordinator which serves as the department representative on various committees. In addition, SCD has six functional teams that represent the different areas of SCD, those areas are:

- Administration
- Oregon State Payroll Services
- Shared Client Services
- Statewide Accounting and Reporting Services
- Statewide Financial Management Services
- Statewide Financial Services

Each of the different SCD areas listed above will have team members that will be responsible for the identification and input of their areas critical business functions into the business continuity software E-Brp.

Organization Chart



Authority and Responsibilities

The members of Crisis Management Team have the authority to declare a disaster and activate portions or all of the Business Continuity Plan.

The Assessment Team is responsible for assessment of the affected facility and determination of whether the facility is safe to occupy. This team reports results to the Crisis Management Team.

The Disaster Recovery Team is responsible for the restoration and maintenance of Voice communication, networks and other IT related systems. This team reports results to the Crisis Management Team.

The Business Continuity/Recover Teams are functionally responsible for directing the development and execution of the BCP, as well as providing direction during the recovery process. This team reports results to the Crisis Management Team.

The Payment Team is responsible for working with issues such as emergency procurement, emergency limitation and payment controls. This team report results to the Crisis Management Team.

Objectives, Deliverables, Timeline

The Business Continuity Plan (BCP) will continue to evolve over time. Organizational changes, outdated information and personnel changes to name a few, will require constant maintenance of the plan to ensure its viability.

This document will include a separate plan for Information Technology (IT) disaster recovery. The BCP drives disaster recovery and IT resumption, however, the State Data Center will create an IT Recovery and incident response plan.

In the event of a disaster, this plan should provide a framework for managers to work within, but ought not to constrain expedient action that fall within statutory compliance. The plan cannot cover every contingency and catastrophic event, but does give an account of the agency's priorities, needs and resources required to recover and restore critical functions in a timely manner.

Each division plan will individually address their Critical Business Functions (CBFs), Recovery Time Objectives (RTOs), processes, resources, dependencies, vendors, alternative facilities, teams, and personnel contact strategies.

Operational objectives of the BCP are:

1. Reduce employee injury or loss of life and minimize damage and losses
2. Ensure the continuous performance of critical and essential functions during an emergency
3. Protect essential facilities, equipment, vital records, and other assets
4. Reduce or mitigate disruption to operations
5. Identify manager and supporting staff that would need to be relocated
6. Facilitate decision-making for execution of this plan and conduct of plan operations
7. Provide support to employees and employee facilities during an event in order to maximize personnel availability
8. Provide alternative course of action to minimize or mitigate the effects of the crisis and shorten agency response time
9. Achieve a timely and orderly recovery from an emergency and resumption of service to customer.

SCD BCP Timeline

Program	Business Function	Recovery Time Objective (RTO)	PROCESSES draft (Word Document) due by:	PROCESSES input in Ebrp by:	PLANS input in eBRP	SCD Manager Table Top Exercise	Update Plans based on Table Top Results	Periodic Review of Data
OSPS	State Payroll Function	48 hrs	7/10/2007	8/10/2007	11/30/2007	8/1/2008	12/31/2008	9/30/2008
SFMS	State Accounting Function - Operations	96 hrs	9/30/2007	11/30/2007	6/30/2008	8/1/2008	12/31/2008	9/30/2008
SFMS	State Accounting Function - Administration	1 wk	9/30/2007	11/30/2007	6/30/2008	8/1/2008	12/31/2008	9/30/2008
SFS	Statewide Financial Services: E-commerce internal controls, statewide A/R mgmt, internal controls	1 wk	8/31/2007	9/30/2007	3/31/2008	8/1/2008	12/31/2008	9/30/2008
SARS	Statewide Accounting and Reporting Services	1 wk	9/30/2007	1/31/2008	6/30/2008	8/1/2008	12/31/2008	9/30/2008
SCS	Shared Client Services- daily processing of AP, A/R, receipts and disbursements, budget prep and execution for selected small state agencies	1 wk	9/30/2007	11/30/2007	6/30/2008	8/1/2008	12/31/2008	9/30/2008

Performance Measures

DAS divisions are measured against the DAS timeline for input into the E-Brp software. Regular updates are provided to the Executive Team by the DAS BCP Coordinator.

State Controller's Division will be measured against the timeline above. The SCD BCP Coordinator will work closely with SCD managers to ensure the timeline is being met and will provide regular updates to the SCD Administrator and managers.