



The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller ensures the financial integrity of the State by providing accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public and maximizing financial return through its statewide cash management plan. The OSC issues numerous financial reports including: Financial Highlights, General Fund Monthly Financial Report, IT Expenditures Report, Statewide Accounts Receivable Report, the State's Comprehensive Annual Financial Report (CAFR) as well as the short, easy-to-read version of the CAFR known as the "popular" report.



OSC AR

Office of the State Controller Activity Report

David McCoy, State Controller

Summer 2010

Controller's Office Receives Top Award For Its Annual Financial Report



THE CAFR GROUP. Pictured: Anne Godwin, Angela Johnston, David McCoy (State Controller), Helen Vozzo, Prabahavathi Vijayarghavan, Lauren Duncan, Virginia Warren, Martha Hunt, John Barfield, Ann Anderson, Todd Lewis, Clayton Murphy, Shirley Trollinger, Luke Harris, Cathy Johnson. Not Pictured: Amber Young, Terri Noblin, Pam Fowler, Cynthia Vincent, John Eliadis (retired).

The Office of the State Controller has received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its 2009 Comprehensive Annual Financial Report, known as the CAFR. The award is the highest form of recognition in the area of governmental accounting and financial reporting.

"I am proud to announce that North Carolina and the Office of the State Controller have once again received this prestigious award" said State Controller David McCoy. "This year's award marks the 16th consecutive year that this Office's efforts have been selected for recognition. This award validates our commitment to complete disclosure of North Carolina state government finances.

"Through our award-winning Comprehensive Annual Financial Report and our other financial reporting publications, we are providing North

Carolina's citizens with an opportunity to see the State's books and review the State's financial records. Increasing the availability of financial information on our website is a top priority, and I encourage our citizens to visit our website to review these publications."

According to the press release issued by GFOA, the North Carolina State Controller's "CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive 'spirit of full disclosure' to clearly communicate its financial story and motivate potential users and user groups to read the CAFR."

The GFOA is a nonprofit professional association serving about 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.

The 2009 CAFR can be found on the State Controller's website under "Recent Publications" at: <http://www.osc.nc.gov/index2.html>.

CJLEADS Pilot Project Deployed: Team Hosts Information Session

July marked the deployment of the CJLEADS (Criminal Justice Law Enforcement Automated Data Services) pilot project to the production environment, which means the application is now available for authorized users in Wake County. CJLEADS is a one-stop, user-friendly, web-based application that presents a comprehensive view of an offender as well as an alerting capability of an offender’s change in status.

Gov. Bev Perdue, criminal justice agency leadership, the Sheriff’s Office, chiefs of police as well as other agencies with sworn law enforcement within Wake County attended the CJLEADS deployment information session recently. The meeting was held to provide an overview of the CJLEADS application and share rollout plans with the Wake County users (law enforcement officers, judges, magistrates, district attorneys, clerks, probation officers, prison officials, juvenile court counselors). During the meeting the CJLEADS project team also worked with the Wake County criminal justice and law enforcement officials to establish a schedule for training and deployment of the CJLEADS application.

The CJLEADS team also conducted a survey with criminal justice professionals during the last few weeks to gather feedback on the information session and deployment activities as well as input specifically about the CJLEADS application. The survey asked questions about the value of CJLEADS.



The survey responses included:

Survey Question: Please provide us with your thoughts as to how CJLEADS will support personnel in effective and efficient decision making.

Response: It will help tremendously with the legal community because it allows us (Magistrates and the law enforcement community) to take a glance of everything at one time instead of uploading 5-6 different programs just to get some background on a defendant.

Response: The ability to have a clear picture of a suspect derived from one place is a very good idea. Being able to access all the information needed, from one location; to take the appropriate enforcement action will greatly benefit officers.

Survey Question: How do you see the CJLEADS program benefiting your operations?

Response: Instead of doing manual searches of various sources of information, we’ll use CJLEADS instead. Instead of just doing these searches for significant suspects, we’re more likely to run the search sooner and more often, resulting in quicker reactions on the part of law enforcement.

Response: It will definitely cut back time when dealing with a defendant. This is because as a Magistrate, we have to determine a defendant’s bond and in order for us to be efficient in our decision we have to look up everything concerning that defendant through different software. It helps our office out a lot because to look up everything on one defendant is time consuming and can back us up quickly, especially if there are other outstanding processes that the officer did not find.

Response: It will likely be the first database checked when encountering suspects. Being able to link future databases will be beneficial.

OSC Saves State Money With Webinar Training



Pictured: Josh Georghiou, Amanda Williams, Jennifer Trivette, Wynona Cash, and Ben McLawhorn.

yet, there was simply no money with which to accomplish this task. In the past, Risk Mitigation has held training seminars in large conference rooms throughout the state. The budget situation this year made this impossible so the team explored the option of using software called “Adobe Connect Pro” that already had been purchased by the OSC for the HR/Payroll Training efforts.

This software allowed the team to produce a training session that was conducted live via a webinar for the cost of a phone call. The savings amounted to about \$2,500 for OSC, and that cost does not include the travel time and actual travel cost of the attendees.

More than 630 employees from 32 state agencies, 47 community colleges and 15 universities participated in a Spring webinar titled “Internal Controls over Accounts Payable and Expenditure Processes,” earning 2 hours of CPE credit in the process.

Ben McLawhorn, manager of Risk Mitigation Services, said this webinar went so well they held a second webinar June 7 to focus on internal controls over cash processes. More than 496 employees from 77 state agencies participated in this webinar.

OSC employees in the Risk Mitigation Services Section recently turned a big “challenge” into an even bigger “opportunity” that ended up saving the State several thousand dollars.

Legislation required the Risk Mitigation team to provide internal control training to state employees across the state,

OSC OFFERS CPE CREDIT TO STATE’S FISCAL OFFICERS

More than 300 of the State’s fiscal officers attended the OSC’s GASB (Governmental Accounting Standards Board) Update Seminar on May 10. The event offered eight hours of CPE credit and provided an update of recent pronouncements and projects of the GASB that will impact the State’s financial reporting.

Additional training classes to be held the remainder of the year include:

November 17, 2010

Title: Topic TBD (EAGLE Webinar)

Instructors: Risk Mitigation Staff

Time: TBD

CPE: 2 hours

December 14, 2010

Title: 2010 Fiscal Officer Update (Statewide CPE Class)

Instructors: Various

Location: McKimmon Center

Time: 8:20 am to 4:40 pm

CPE: 8 hours

OSC Offers 2010 Foreign National Tax Compliance Training

The Office of the State Controller has announced the 2010 Foreign National Tax Compliance Training Curriculum. These informative trainings will be provided at no charge to all state agencies, universities, community colleges, local education agencies and charter schools.

The Office of the State Controller, in collaboration with Windstar Technologies, Inc., NC State University and NC Community College System Office, will host a series of webinars throughout the remainder of 2010. Our first webinar, which is on Basic Non-Resident Alien Taxation Compliance, will be held on July 20, 2010, 10:00am - Noon.

The following schedule outlines the complete training curriculum planned for the remainder of the 2010 calendar year.

2010 Foreign National Tax Compliance Training Curriculum

DATE	TOPIC	AUDIENCE	PRESENTER
July 20th	Basic NRA Taxation Compliance	Any state agency, university, community college, local education agency or charter school personnel responsible for paying/compensating a foreign national and desiring to learn more about the applicable taxation rules.	Jennifer Trivette, Office of the State Controller Michelle Anderson, North Carolina State University
July 28th	Windstar Software Training for Universities and Community Colleges	Any university or community college personnel that uses the Windstar software.	Connie Medico and Manny Paola, Windstar Technologies, Inc.
August 11th	Best Practices for Universities and Community Colleges	All universities and community college personnel responsible for paying/compensating a foreign national.	Michelle Anderson, North Carolina State University Kim Van Metre, North Carolina Community College System Tracy Williams Pender, North Carolina Community College System Jennifer Trivette, Office of the State Controller Terri Crowl, Windstar Technologies, Inc.
August 18th	Best Practices for processing foreign nationals within State Agencies (Covering Human Resources and Accounts Payable)	All applicable state agency personnel	Michelle Anderson, North Carolina State University Larry Vale, Office of State Personnel Jennifer Trivette, Office of the State Controller Terri Crowl, Windstar Technologies, Inc.

2010 Foreign National Tax Compliance Training Curriculum Cont.

September 1st	Accounts Payable Training for State Agencies (1099 Training)	All applicable state agency personnel	Clayton Darnell, Randy Thomas, and Jennifer Trivette, Office of the State Controller
October 20th (tentative)	Policies and Procedures update for Community Colleges	All community college personnel responsible for paying/compensating a foreign national.	Kim Van Metre, North Carolina Community College System Tracy Williams Pender, North Carolina Community College System Jennifer Trivette, Office of the State Controller
December 1st	Advanced Windstar Software Training – Reporting, Year-End, Batch, 1042 Processing	Any university or community college personnel that uses the Windstar software.	Connie Medico and Manny Paola, Windstar Technologies, Inc.

All sessions will be provided via webinar from 10am-12 noon and can be viewed over the internet from your agency.

If you have any questions regarding the Foreign Nationals Tax Compliance Program or the above trainings, please contact either Jennifer Trivette at (919) 707-0764 or Ben McLawhorn at (919) 707-0757.

NEW TRAINING LMS PROGRAM SAVES STATE \$30,000 ANNUALLY

Spring 2010 marked the go-live date of a new Learning Management System (LMS) that began in the planning stages last summer with vendor meetings and work groups. The LMS is an online application that includes a registration program, course materials library, and operates as the system of record for State HR/payroll training. This implementation has been a cooperative effort spearheaded by OSC Training and Development with the cooperation of several teams including the Interface Team, Portal Team, and Security Team. Noverant, a local company, is the vendor that provides in-person support and follow-up.

The Noverant LMS provides a cost savings to the state of approximately \$30,000 in upfront annual costs over the previous LMS product used for registration/training tracking. It provides a user-friendly interface and has garnered positive feedback to include the ease of use, more accessible information, more intuitive navigation and simplicity in administration. Feedback from the field is being monitored for future enhancements to the system.

This new LMS utilizes SAP integration, keeping data current and in sync. It allows automated roll mapping to training assignments. Another helpful feature is that NCID integration allows for a single sign on via the Employee Self Service portal.

Wave 1 data migration brought the previous system's attendance records into the Noverant system. Wave 2 will consist of the North Carolina Accounting System (NCAS) migration, which is underway. This will allow OSC to terminate the previous NCAS LMS and its associated costs to host, providing further savings to the state.

OSC’s Overpayment Audit Program Recovers \$232,381 During 2010 Fiscal Year

For each fiscal year since 1999, the General Assembly has directed the Office of the State Controller to negotiate a contract with a third party to perform an audit and collect inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors (NCGS §147 86.22(c)). Excluded from the third-party audit is the purchase of medical services by State agencies or payments used to reimburse or otherwise pay for health care services. The General Assembly directed that the third party be compensated only from funds recovered as a result of the audit and that the receipts generated through the collection process be deposited in the Special Reserve Account 24172.

As directed by the General Assembly, the State Controller must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into the Special Reserve Account 24172 and the disbursement of that revenue.

The following is an analysis of Special Reserve Account 24172 for FY2010:

Beginning Balance – July 1, 2009	\$26,776.28
Deposits – FY2010	\$232,381.89
Payments to third-party contractor – FY2010	(\$89,085.40)
Transfer to OSC Special Fund 24160 – FY 2010	(\$137,736.30)
Transfers/Payments Associated with Miscellaneous Debt Collection Efforts – FY 2010	(\$2,800.53)
Ending Balance – June 30, 2010	\$29,535.94

OSC Continues Enhancements to HR/Payroll System

The OSC HR/Payroll ERP System team continues to focus on enhancing the HR/Payroll system. The first system-wide enhancement for 2010 rolled out Monday, April 19th and included the creation of more than 80 employee subgroups and wage types.

“A top priority for many agencies was the additions of these subgroups and wage types, and we are pleased to make them available,” said Jim Dolan, deputy controller. “Our customers have our commitment that we will continue looking for ways to increase customer satisfaction, while ensuring the human resources/payroll system is performing at an optimal level.”

More information about these enhancements can be found at: http://help.mybeacon.nc.gov/beaconhelp/Human_Resources/Personnel_Admin/Job_Aids/pdf_Employee_Group-Subgroup_041410.pdf

Deputy Controller Gives Keynote Address to Graduates

OSC Deputy Controller Julie Batchelor gave the keynote remarks Saturday, May 8 to the 2010 BDPA (Black Data Processing Associates) Triangle – SITES (Student Information Technology Education Scholarship) closing ceremony.

Julie talked with the students about what it takes to be a leader. She reminded them that a leader is someone who sets goals, leads by example, focuses on teamwork, is up for a challenge, thinks about quality, gives back, and gives recognition.

Julie is a member the Society for Information Management (SIM), an organization for IT leaders. SIM works closely with the BDPA, an organization whose goal is to advance professional growth and technical development for those in the IT industry. BDPA chapters host the SITES programs which are designed to expose youth to the concepts of computers and give them expertise to develop web applications.

Julie concluded her speech by sharing with the students words of wisdom spoken to her often by her boss, State Controller David McCoy. “You must be ready to give up who you are for who you might become,” she told the students, adding that the quote is from Jake Whitecrow, tribal elder of the Oglala Sioux tribe.

Deputy Controller Gives Keynote Address to Graduates Cont.



Julie Batchelor delivers “Leadership” presentation at BDPA Triangle 2010 SITES Ceremony. Left-to-Right: Lorrinda Michelka, BDPA Triangle VP for Business Mgmt, Carl Hill, BDPA Triangle President and Julie Batchelor, NC Deputy State Controller.

Carl Hill, BDPA Triangle Chapter President had the following to say about Julie. “So a heartfelt “THANKS” for your keynote address at the BDPA Student Information Technology Education and Scholarship (SITES) closing ceremonies. The students participating in the SITES program appreciated your words of wisdom on leaders, leadership, setting goals and being flexible; plus you reminded the parents of their obligations by encouraging them to continue to lead their kids.”

BDPA Triangle Chapter provides professional development programs and services to position its members at the forefront of the information technology industry. The BDPA’s objectives are to:

- Develop and strengthen the expertise of minority members in the information technology community.
- Deliver member access to career and business opportunities by leveraging our extensive network of corporate, community, professional, and student members.
- Broaden knowledge of information technology within the minority community as a whole through our community outreach initiatives.
- Participate in community activities that promote information technology literacy.

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