



# **Agency Consolidation Considerations**

OSC Financial Conference

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## Recent Consolidations

- **Department of Public Safety creation:**
  - **Juvenile Justice and Delinquency Prevention**
  - **Department of Correction**
  - **Department of Crime Control and Public Safety**
- **Employment Security Commission (ESC) transferred to Department of Commerce**
- **State Health Plan transferred to Department of State Treasurer**
- **Programs/Divisions transferred between agencies**
  - **Department of Environment and Natural Resources (DENR) – Division of Forest Resources and Soil and Water Conservation to the Department of Agriculture**
  - **DENR – Division of Environmental Health split between Department of Agriculture, DHHS and reorg within DENR**



## Considerations

- **What are the requirements?**
  - **State legislation**
  - **Federal**
  - **Agency business process**
  - **Complexity**



## Considerations (continued)

- **Who are the key players:**
  - **Agency**
  - **Office of the State Controller (OSC)**
  - **Office of State Budget and Management (OSBM)**
  - **Department of State Treasurer (DST)**
  - **Department of Administration (DOA)**



## Considerations (continued)

- **Some of the key systems:**
  - **OSC systems**
    - North Carolina Accounting System (NCAS)
    - Cash Management Control System (CMCS)
    - BEACON Payroll
  - **OSBM systems**
    - Budget Preparation System (BPS)
    - Budget Revision System (BRS)
  - **DST systems**
    - Core Banking
  - **Agency systems**
    - Various subsystem
  - **DOA systems**
    - E-Procurement
    - Mail Service Center



# Planning

- **Leadership**
  - Organization
  - Planning
  - Execution
- **Staffing**
  - Dedicated resources
  - Dedicated staff
- **Timelines**
  - Date driven deliverable assignments
  - Scheduled checkpoints
  - Deadlines
- **Business process/policy changes**
- **System constraints**
  - Manual changes
- **Lingering effects**
  - Clean up



# Accounting System Considerations

- **What changes need to be made?**
  - **Define policies**
  - **Define Accounting Structure**
  - **Security Roles**
  - **Establish vendors**
  - **E-Procurement**
  - **Purchase Orders**
  - **Fixed Assets**
  - **Procurement Cards**
  - **Conversion of Balances**



# The Numbers

## Examples from the recent DPS consolidation:

- Over 4,000 centers had to be converted
- Over 13,000 non-trade and employee vendors had to be moved
- Over 10,000 purchase order lines had to be closed and reopened
- Over 5,000 new organizational units created
- Over 20,000 positions transferred to these new organizational units
- Over 900 new security roles created





# Cash and Budget Systems

- **New budget codes**
- **New accounting distributions**
- **Dissolution of old budget codes**
- **Employee access**
- **New disbursing accounts**
- **Cutover considerations**



# BEACON

## Agency Data

- **Organization**
  - Org units into a hierarchy
  - Employee “Reports To”
- **Settings for each position**
  - FSLA subject or not subject
  - Work schedules
  - Shift premiums
- **Funding for each position**
  - Fund and Account
  - Active, Separated and Dual employment
- **Cutover considerations**
  - Retroactive payroll
  - Account numbers
  - Separation pay



## Take Away

- **Every transfer/reorganization /consolidation is different.**
- **Have a timeline in order to meet the deadline.**
- **Have a project leader.**
- **Have dedicated staff available.**
- **Communicate, communicate, communicate.**
- **Have uniformity.**
- **Realize there will be clean-up afterwards. Nothing is perfect.**
- **Be flexible.**



**THANK  
YOU!**