AGENDA

OSC Financial Conference

December 16, 2014

8:15	–	8:20	Call to Order – Terri Noblin, Office of the State Controller Accounting and Financial Reporting Manager
8:20	–	8:40	Opening Remarks and Fiscal Integrity Award Presentation – Dr. Linda Combs, State Controller Internal Audit Award of Excellence Presentation – Beth Wood, State Auditor
8:40	–	8:50	GASB 68 Pension Allocation Update – Sharon Edmundson, Department of State Treasurer
8:50	–	10:10	Federal Grants Oversight: A New Partnership Focused on Results – Robert Shea and Jim Taylor, Grant Thornton LLP
10:10	–	10:30	Break
10:30	–	11:00	State Auditor Update – Impact of "Super Circular" and Common Audit Findings – Beth Wood, State Auditor
11:00	–	11:20	The Uniform Guidance: Impact for UNC Institutions of Higher Education – Sarah Smith, UNC General Administration
11:20	–	12:00	Is the Economy Finally Picking Up Steam? – Michael Walden, N.C. State University
12:00	–	1:00	Lunch
1:00	–	1:05	Call to Order – Terri Noblin, Office of the State Controller
1:05	–	1:55	Move Out of Your Comfort Zone: Big Data, The Era of Abundance – Eric Hunley, SAS
1:55	–	2:40	Electronic Crimes Inc.: The World's Most Profitable Crime Model – Chris Swecker, Governor's Crime Commission
2:40	–	3:00	Break
3:00	–	3:50	Creating Successful Work Relationships – Holly Basso, N.C. State University
3:50	–	4:40	Enterprise Systems/Programs Update – Jim Dolan – Office of the State Controller ▪ CMCS, eCommerce, and Statewide ERP – Amber Young, Luke Harris, and Jim Tulenko – Office of the State Controller ▪ IBIS – Andrew Whalen – Office of State Budget and Management ▪ Core Banking – Brandon Watson – Department of State Treasurer ▪ UNC Chapel Hill ERP – Brian Smith – UNC Chapel Hill
4:40	–	4:45	Closing Remarks – Terri Noblin, Office of the State Controller

2014 OSC Financial Conference

Continuing Professional Education
North Carolina Office of the State Controller*

Date: December 16, 2014
8:15 a.m. to 4:45 p.m.

Location: The McKimmon Conference and Training Center
N.C. State University
1101 Gorman Street
Raleigh, NC 27606

Objective: To offer training on recent topics of interest to Chief Fiscal Officers and agency representatives including the new pension allocations, federal grants management, personal development, technology-related issues, and other current topics.

Content:

- GASB 68 Pension Allocation Update
- Federal Grants Oversight: A New Partnership Focused on Results
- State Auditor Update – Impact of "Super Circular" and Common Audit Findings
- The Uniform Guidance: Impact for UNC Institutions of Higher Education
- Is the Economy Finally Picking Up Steam?
- Data Analytics
- Electronic Crimes Inc.: The World's Most Profitable Crime Model
- Creating Successful Work Relationships
- Enterprise Systems Update - CMCS, eCommerce, Statewide ERP, IBIS, Core Banking, and UNC Chapel Hill ERP

Instructors: See attached agenda

CPE Credit Offered: Eight hours

Materials: Will be available in advance on the OSC web page

Teaching Method: Lecture

Mini-breakfast: Available beginning at 7:30 a.m. (biscuits, muffins, and fruit)

Lunch: 12:00 p.m. – 1:00 p.m.

Prerequisites: Employed by a State agency or institution that is part of the State financial reporting entity (i.e., an entity included in the State's Comprehensive Annual Financial Report)

Advance Preparation: None

Level: Basic

---

* Click the following link for additional information about the NC Office of the State Controller, the sponsor and developer of this program.

Sharon Edmundson, MPA, CPA

Sharon Edmundson is currently the Director of the Fiscal Management Section of the State and Local Government Finance Division of the North Carolina Department of State Treasurer. She previously served as one of the Assistant Directors of this section, a position she held for 2 years, and was a staff member in the section for six years. Her other work experience includes ten years in public accounting and four years as an internal auditor.

Ms. Edmundson received her BS in Business Administration with a concentration in accounting from the University of North Carolina at Chapel Hill, and a Masters in Public Administration at North Carolina State University. She is a member of the North Carolina Association of Certified Public Accountants and currently chairs the Governmental Accounting and Auditing Committee. She also served two terms on the Committee on Accounting, Auditing, and Financial Reporting for the Government Finance Officers Association.

Robert Johnston Shea

Robert is a Principal in Grant Thornton's Global Public Sector (GPS) practice, with over 20 years of federal government experience. He leads the Public Sector's communications and public policy team and is a member of the Performance Transformation Group. Robert joined Grant Thornton from the U.S. Office of Management and Budget, where he was Associate Director for Administration and Government Performance. In addition to managing OMB's internal operations, Robert led the President's Performance Improvement Initiative and administered the Program Assessment Rating Tool. Robert made numerous presentations on best practices in performance management under the auspices of the Organization for Economic Co-Operation and Development (OECD) and co-edited the volume, *Performance Management and Budgeting: How Governments Can Learn from Experience*. Before joining OMB, Robert served as Counsel to the Senate Committee on Governmental Affairs where, in addition to general oversight of Executive Branch management, he advised Committee leadership on the status of implementation of the statutory framework for performance-based government, including the Government Performance and Results Act and the Chief Financial Officers Act. He was Legislative Director for Congressman Pete Sessions (TX) from 1997 to 1999, where he organized the Results Caucus, a group of Members of Congress dedicated to results-based management and solving many of the government's major management problems. Robert was a Professional Staff Member with the House Committee on Government Reform from 1995 through 1996. There he had responsibility for examining the economy and efficiency of government programs, and acted as liaison with the government's Inspectors General.

James L. Taylor

James L. Taylor recently joined Grant Thornton as managing director, following over 30 years of public service. Just prior to his retirement, Mr. Taylor served as the senior advisor to the IRS Commissioner, charged with integrating the IRS' complex requirements in support of the Affordable Care Act. In 2010, Mr. Taylor was confirmed by the United States Senate as the Chief Financial Officer for the Department of Labor, a position he held for nearly four years. Prior to this position, he served as Deputy Inspector General for the Department of Homeland Security, where he assisted the Inspector General in managing over 600 auditors, inspectors, and investigators. From 1999-2005, Mr. Taylor was the Deputy Chief Financial Officer for the Department of Commerce, where he successfully implemented the department's first integrated financial management system, and earned its first clean audit opinion. Prior to his position at Commerce, Mr. Taylor served as the Deputy Chief Financial Officer for the Federal Emergency Management Agency, where he helped transform FEMA's financial operations to more effectively support the agency's disaster response activities, and achieved its first clean audit opinion. Mr. Taylor has received the Donald E. Scantlebury Award for Excellence in Federal Financial Management, and the Presidential Rank Award of Distinguished Executive. He received his BA from Old Dominion University and an MPA from the University of Delaware, where he was a Public Service Fellow.

Biographical Information

North Carolina State Auditor Beth A. Wood, CPA

Beth Wood is in her second term as North Carolina's elected State Auditor. She is a Certified Public Accountant and long-time public servant with nearly 25 years of auditing experience.

Beth served in the State Auditor's Office for more than a decade before being elected into this position. Before joining the State Auditor's Office, she served in the State Treasurer's Office and in the private sector. She is the first woman elected to the position of State Auditor in North Carolina.

During her tenure, the office has performed audits that would help state leaders cope with the worst economic conditions since the Great Depression. Those audits have focused on contracting practices that favored vendors at the expense of taxpayers and changes in agency procedures that have saved the state hundreds of millions of dollars. Her office has also produced several audits pointing out the flaws with the state's information technology projects.

Beth intends to continue producing audits that will help the governor and legislators streamline state government. Audit teams across the state are watching every area of state government for potential savings that help make the best use of taxpayer dollars.

Additionally, under her leadership during the next term, the office will perform follow-up audits, evaluate the use of best practices by state agencies and will work to attract and retain highly skilled auditors.

Sarah Means Smith

Director of Sponsored Programs
UNC General Administration
Division of Research and Graduate Education

Responsibilities:
Direct all facets of pre- and post-award administration for contracts and grants awarded to UNC-General Administration, including proposal and budget development, award negotiations, regulatory compliance, post-award functions and financial compliance, and is primary liaison between UNC program directors and sponsors. Serve as the contract and grant process advisory lead for the UNC Business Process Compliance Program. Lead the UNC Sponsored Programs and Research Council providing a venue for policy and emerging trend discussions and content area training.

Previous Professional Positions:
Sarah has over 21 years of experience in the research administration arena. Sarah has been in her current position at UNC-General Administration since September 2001. Previously, she served as the Manager of NCSU Sponsored Programs from 1998 through September 2001, and was with the NCSU College of Humanities and Social Sciences from 1991 through 1998, serving as Research Associate from 1994-1998. She was also associated with the NCSU Division of Transportation from 1984-1990, serving as Parking Services Manager at from 1986-1990.

Education:
B.A. Business Management, NCSU - 1994
Certified Public Manager – 2001
Certified Research Administrator - Spring 2002, Spring 2008, Spring 2013

MICHAEL L. WALDEN

Dr. Michael L. Walden is a William Neal Reynolds Distinguished Professor and Extension Economist at North Carolina State University and a member of the Graduate Economics faculty with The Poole College of Management. His Ph.D. degree is from Cornell University and he has been at N.C. State since 1978. He has also been a Visiting Professor at Duke University.

Dr. Walden has teaching, research, and extension responsibilities at NCSU in the areas of consumer economics, economic outlook, and public policy. He has published eight books and over 250 articles and reports, including the book *North Carolina in the Connected Age*, published by the UNC Press. He has served on several local and state level commissions. With his wife, he is the co-author of three "economic thrillers", *Macro Mayhem, Micro Mischief, and Fiscal Fiasco*, designed to teach economics in an entertaining way.

Dr. Walden can be frequently seen, heard, and read in the media. He has daily radio programs aired on stations around North Carolina for which he has won two national awards. He is often interviewed on local TV and radio news broadcasts, has appeared on *NBC, CBS, The Fox Report*, and the *Newshour With Jim Lehrer*, and is frequently quoted in such newspapers as *USA Today, The News and Observer, The Charlotte Observer, The Boston Globe, The Wall Street Journal*, and *The Washington Post.* His biweekly column, *You Decide*, is carried by over forty newspapers in the state. He has made over 2500 personal presentations.

Dr. Walden directs the semiannual economic forecast, *The North Carolina Economic Outlook*. He has won numerous academic and public awards, including two Champion-Tuck Awards for Excellence in Broadcasting, the UNC Board of Governor's Award for Excellence in Public Service in 2010, the Order of the Long Leaf Pine in 2013, and the Holladay Medal for Excellence from North Carolina State University in 2014.

Eric Hunley
Senior Manager, State and Local Government Practice

Eric currently serves as a Senior Manager at SAS in the State and Local Government Practice. His primary role is helping solve business problems for the State of North Carolina and across the country in areas such as reducing Fraud, Waste and Abuse, Criminal Justice & Law Enforcement, Improving Education and other opportunities across state agencies. Over the past 21+ years at SAS he has worked in various roles ranging from Technical Support, Systems Engineer/Systems Engineer Manager and Manager of Product Management. Throughout his career at SAS he has been involved with a wide range of technologies including enterprise data management, enterprise architectures, high-performance computing, data storage, data warehousing and data quality. The majority of his tenure at SAS has been dedicated to data management/data integration and data quality; basically Big Data before Big Data was a common term or phrase. He has authored various technical documents and white papers at SAS on various product and solution areas presenting to audience as small as 1 and as large as 3,000.

Eric has a BS from East Carolina University in Computer Science. He spends his time away from the office coaching youth baseball at the West Raleigh Exchange Club. He has served as the Co-Chairman for the Racing Heroes Charity Auction in the past that has raised in excess of $150,000 for the Family Support Program at the Duke Children's Hospital Pediatric Bone Marrow Transplant Unit. He serves on the NC Technology Association Advisory Board, Middle Creek High School Digital Media Academy and is the Vice President of the Stampede Club, which is a booster club for student athletes at Middle Creek High School.

Chris Swecker, Esq.
Assistant Director, FBI, (Retired) 1982-2006
Global Security Director, Bank of America, 2006-2009
Attorney/Fraud and Security Consultant 2006-present
Former Board Member, Allied Barton Security Company
Chairman NC Governor's Crime Commission

Swecker served 24 years as a Special Agent with the Federal Bureau of Investigation (FBI) retiring in 2006 as Assistant Director, Criminal Investigations Division, with oversight over all FBI Criminal and Cyber Investigations. Swecker also served as the FBI's Special Agent in Charge in North Carolina, the Assistant Special Agent in Charge in Miami and Houston and the On Scene Commander in Iraq in 2003 where he led a team of FBI Agents conducting counter-intelligence, terror financing and international terrorism investigations including investigating suicide bombing attacks on the UN headquarters and other civilian occupied facilities. Prior to joining the FBI he was an Assistant District Attorney in The First District of NC. He currently Chairs the NC Governor's Crime Commission in Raleigh.

As CSO for Bank of America from July 2006 to January 2009 Swecker led components that were responsible for all fraud investigations; physical security; international security, employment screening, some Anti Money Laundering functions and executive protection. He provided strategic direction and overall management for over 600 proprietary associates and over 3800 contract security guards with an annual budget of over $250 million spanning 6100 bank branches,18,000 ATMs and 450 administrative facilities.

Swecker has testified before US Congress on topics such as identity theft, crimes against children, mortgage fraud, human trafficking, financial crimes, information privacy, terrorism, data compromise, crimes on the internet, drug trafficking on the southwest border and gangs. He has also appeared on 60 Minutes, CBS This Morning, Oprah Winfrey, Good Morning America, CSPAN Washington Journal, CNN, CNBC and North Carolina People. He is a frequent public speaker and author of articles on Financial Crimes, Money Laundering, Security, Human Trafficking and Cyber Crimes.

Swecker is a graduate of Appalachian State University where he was a 4 year varsity football letterman, graduating in 1978. He attended Wake Forest School of Law receiving his Juris Doctor in 1981. He is a member of both the North Carolina and Virginia State Bars. Swecker received the prestigious Presidential Rank Award in 2003 for his service in Iraq and as Special Agent in Charge of the NC Office. Swecker currently manages his own law practice and founded a successful security and financial crimes consulting firm, Chris Swecker Enterprises.

Meet the Instructor…

Holly A. Basso, M. Ed

Holly Basso is a seasoned veteran in the field of corporate training, offering computer software consulting and instruction, productivity seminars and motivational seminars. As Assistant Director of Technology Training Solutions (TTS) at NC State University, Basso offers a host of courses that allow North Carolina members of business and industry to stay abreast of technology.

Basso's experience in this field spans over 25 years. During that time, she has managed five different training centers, run her own consulting business, trained various levels of computer users in different areas of technology, and created effective, technology-driven business solutions. She combines an in-depth knowledge of business and industry with adult-education techniques, allowing her to bring unparalleled knowledge and assistance to TTS customers and her class participants.

Basso is currently a PhD student at NC State University in the field of Leadership, Policy and Adult and Higher Education.

Holly A. Basso
919-649-8068 • habasso@yahoo.com

Bios for speakers for the Enterprise Systems/Program Update – 12.16.2014

Jim Dolan is the Chief Deputy State Controller at the Office of State Controller (OSC). Jim oversees the day to day operations for the accounting and reporting of the state's finances and cash management, managing the payroll for approximately 75,000 state employees, and oversight of the State's risk management efforts and eCommerce activities. Jim has extensive private sector experience that covers accounting, planning, budgeting, forecasting and pricing and management. Jim has worked for the state for almost 10 years in IT oversight and Operations Management positions. Jim has an undergraduate degree in Accounting from Bryant University and an MBA from Rider University. He is also a graduate of the Government Chief Information Officer program at UNC Chapel Hill's School of Government.

Amber Young is the Central Compliance Manager for the Office of the State Controller. Amber has been a state government employee for 32 years including 25 years of service with Office of the State Controller and 7 years as a financial auditor with the Office of the State Auditor. Amber has spent numerous years in the management of Statewide General Fund activities for the State of North Carolina and compliance of statewide cash management legislation. Amber also manages the Statewide Accounts Receivable Program, Statewide eCommerce Program, Federal Cash Management and Statewide Accounts for the Office of State Controller. She received a BA in Accounting from North Carolina State University.

Luke Harris is a Financial Specialist with the North Carolina Office of the State Controller. Luke Harris has been employed with the North Carolina Office of the State Controller for 16 years. For the past 11 ½ years, he has been working with the Statewide Electronic Commerce Program. Luke graduated from Western Carolina University with a BS in Business Administration with a major in Accounting.

Jim Tulenko is the Deputy State Controller for Information Technology (CIO) for the Office of the State Controller. Jim has extensive private sector experience in software development, project management, account & marketing management and ROI analysis. Jim has been working for the State for almost ten years, initially with the Office of Information Technology Services as Project Portfolio Manager for the State and more recently as the Program Director for the BEACON HR/Payroll system. Jim has an undergraduate degree in Computer Science from Penn State University and an MBA from Duke University. He is also a graduate of the Government Chief Information Officer program at UNC Chapel Hill's School of Government.

Andrew Whalen is the Deputy CIO for the NC Office of State Budget & Management (OSBM). He has worked for the State for 8 years, most recently for OSBM. Andrew has supported many technical projects like NCRecovery.gov, the early stages of State Portal refresh, and the IBIS (Integrated Budget Information System) project. Andrew is a graduate of NC State University.

Brandon Watson serves as Banking Director for the North Carolina Department of State Treasurer where he oversees the Banking Operations and Bank Reconciliation Units. Brandon is a fourteen year veteran of the financial services industry and has experience in investments, commercial banking, and lending. He received his B.A. in Economics from Duke University.

Brian Smith is the Interim Assistant Vice Chancellor for Financial Accounting Operations at The University of North Carolina at Chapel Hill. Brian oversees the day-to-day operations for the University in the areas of Accounting Services, Financial Reporting, Internal Controls, Payroll, Procurement, Student Accounts, and Treasury. Brian is also the Chair of the Finance Stakeholders Committee for the University's ConnectCarolina (ERP) Project. He has been with the University for a little over ten years, primarily in the role of Director of Treasury and Risk Management Services. Brian graduated from The University of North Carolina at Chapel Hill with a degree in Economics. He is also a Chartered Financial Analyst and a Certified Treasury Professional.

GASB 68 in NC

What are We Doing to Prepare?

GASB 68 in NC

- GASB's intent to separate accounting for the liability from funding
- Effective dates:
  - GASB 68 for years ending after June 15, 2015 – June 30, 2015 is **first** FYE affected in NC
- State implemented GASB 67 in June 30, 2014 CAFR

3

North Carolina Department of State Treasurer
State and Local Government Finance
Learn. Invest. Grow. Prosper.

GASB 68 in NC

- What will it mean to implement GASB 68?
  - Each employer participant in cost-sharing plans will take its proportionate share of the net pension liability (or asset) and record that liability on its financial statements that are prepared using the economic resources measurement focus
  - Certain elements will be deferred either as deferred inflows or outflows, and amortized over set periods, again recorded only on those statements prepared using the economic resources measurement focus
  - Pension expense also will be calculated as a function of the proportionate share of liability and the deferrals, and again recorded only on those statements prepared using the economic resources measurement focus

4

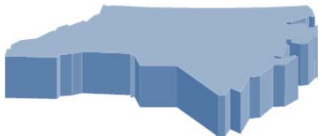
North Carolina Department of State Treasurer
State and Local Government Finance
Learn. Invest. Grow. Prosper.

GASB 68 in NC

- In addition to some new numbers on your financials, there are additional note disclosure requirements and additional RSI
- State agencies that issue financial statements separate from the CAFR will have to implement for their June 30, 2015 financials

GASB 68 in NC

- Four defined benefit multi-employer plans that state agencies and local governments participate in
  - TSERS
  - LGERS
  - Firefighters' and Rescue Squad Workers' Pension
  - Register of Deeds Supplemental Pension Plan
- Net Pension Liability (NPL) will be calculated for each State plan and apportioned across participant employers as of June 30 each year



GASB 68 in NC

- Most data you will need will be provided by Retirement Division in conjunction with State's actuary and OSA
- SLGFD will provide templates for disclosures and financial statement presentation
- Data will be timely enough to not interfere with timely completion of financial statements

GASB 68 in NC

Note disclosures for employer participants in cost-sharing plans:

- Description of plan, benefits provided, and contribution requirements
- That TSERS does not issue a stand alone report, that it is included in the State's CAFR and how to access a copy
- Assumptions used to measure total pension liability
- By reference to State's CAFR the elements of plan's financials and fiduciary net position
- Discount rate assumptions

GASB 68 in NC

Note Disclosures (continued):

- Participant employer's proportionate share of collective NPL
- If employer has special funding situation, information relative to employer and non-employer's portions of the employer's share
- Change in the proportion since the prior measurement date
- Measurement date, valuation date, and statement that update procedures were used to roll valuation date information to measurement date
- Brief description of changes in assumptions since prior measurement date that affect measurement of TPL
- Brief description of any changes between the current measurement date and the employers reporting date that will affect proportionate share and an estimate of that effect if possible

9

GASB 68 in NC

Note Disclosures (continued):

- The amount of pension expense recognized by the employer during the reporting period
- Employer's balances of deferred outflows and inflows related to pensions and classified into various categories
- A schedule that reflects the next five years' aggregate deferred inflows and outflows that will be recognized in pension expense and the amount of the employer's balance of deferred outflows that will be included as a reduction of the net pension liability (employer's contributions subsequent to measurement date)
- The amount of revenue recognized as support provided by nonemployer contributing entities (special funding)

10

GASB 68 in NC

RSI

- Determined as of measurement date, 10 year schedule:
  - Employer's proportionate share of NPL in % and $ figures
  - Covered payroll
  - Employer's proportionate share in $ of NPL as a % of covered payroll
  - Funded percentage of plan

11

GASB 68 in NC

RSI (continued):

- If you have a special funding situation, all of the above with data broken down between employer portion and non-employer portion
- Determined as of employer FYE, 10 year schedule:
  - Statutorily or contractually required employer contribution (excluding any amounts to finance specific liabilities)
  - Contributions recognized by the plan in relation to employer's contributions
  - Difference, if any, between the two
  - Employer's covered payroll
  - Contributions recognized by the plan as a % of employer's covered payroll

12

GASB 68 in NC

How Will All This New Data Be Audited?

13

GASB 68 in NC

- Guidance on auditing for 68
  - Two AICPA white papers issued February 24, 2014
  - Three Audit Interpretations issued by AICPA on April 22, 2014
  - *State and Local Government Auditing Guide*

14

GASB 68 in NC

- Allocation method to be determined
- Sample chosen by OSA will be used to provide assurance on census data for calendar year 2013 (AICPA White Paper)
- Same sample will audit additional census data for DST

15

GASB 68 in NC

- **Plan management** is responsible for completeness and accuracy of census data
- **Plan auditor** is responsible for testing
- Using a risk based approach, plan auditor can select a sample of employer participants and have employer's auditor test data as part of an attest engagement
- Plan auditor will determine which, if any, participant employers are a large enough percentage of the whole to be considered individually important – those employers would be tested each year
- Remaining employers will be tested on rotating basis unless they are determined to be so small individually that they are insignificant to the whole even when combined with all other employers also deemed to be insignificant
- Plan auditor responsible for testing data on inactives and retirees

16

GASB 68 in NC

Auditing Census Data – AICPA White Paper

- Certain pieces of the GASB 68 puzzle are reliant on the accuracy of the data that is either reported to the pension plan and controlled by the participant employers – payroll data for active employees - OR that is controlled by the plan itself – typically data on inactives and retirees

17

GASB 68 in NC

- OSA requested sample of employer participants on both TSERS and LGERS perform census data testing for the following -
  - Eligibility
  - Compensation
  - Date of birth
  - Gender

18

GASB 68 in NC

- DST requested additional census data testing by employer participants in the OSA sample
  - Class of employee – general, LEO, or firefighter
  - Date of hire/date employee first reported as employee of participant employer
  - Date of termination
- OSA conducted its audit of census data at plan level

19

North Carolina Department of State Treasurer
State and Local Government Finance
Learn. Invest. Grow. Prosper.

GASB 68 in NC

Reporting for Plans and Participant Employers in Multi-Employer Cost Sharing Plans – AICPA White Paper

- Significant cooperation between plan, participant employers and auditors will be needed to successfully implement
- Plan will
  - Calculate the allocation percentages
  - Determine collective pension amounts such as deferrals and calculate allocation of these amounts
  - Provide a schedule of allocations and related notes and will engage an auditor to obtain reasonable assurance on the schedule and related notes

20

North Carolina Department of State Treasurer
State and Local Government Finance
Learn. Invest. Grow. Prosper.

GASB 68 in NC

AICPA has issued three audit interpretations relevant to GASB 67/68

- AU-C Section 9500 – Is plan statement by itself sufficient for use by participant employers to successfully implement GASB 68?
  - No. Current strategy in NC is to have OSA issue a separate report of the required proportionate share schedule for NPL, the elements of pension expense including deferrals that come from the plan

GASB 68 in NC

- AU-C 9500 – Can participant employer rely on the report by plan auditor as sufficient audit evidence?
  - Yes with consideration given by the participant employer that the plan auditor's report and accompanying schedules are adequate and appropriate for the participant auditor purposes. Participant auditor should recalculate % share

GASB 68 in NC

- AU-C 9600 – Is the Plan a component (for group audit purposes) of the participant employer?
  - No
- AU-C 9805 – sample report that plan auditor can use for schedules

GASB 68 in NC

- What are we doing to prepare?
  - Cross-divisional and cross-departmental team working on implementation – DST, OSA, OSC and the State's actuary
  - "Dry run" for 68 underway
  - Communications plan
  - Have met and will continue to meet regularly with OSA, OSC and the State's actuary to work through issues

GASB 68 in NC

- OSA will issue a report with allocation schedule, related notes, and assurance for the NPL
- Actuary will be providing calculations for almost all deferrals and will track annual amortization amounts for employer participants
- OSA has identified participant employer auditors to do census data testing on a sample basis – for TSERS this was local school systems
  - Local government and school system auditors should be doing some of this testing already to make sure payroll expense and liabilities are correctly stated
  - In future years, participant employers will be chosen in the Spring

25

GASB 68 in NC

Training and Communication

- Training for finance staff and employer participant independent auditors
- Communications to citizens and elected officials

- Will be developing additional training tools including webinars, memos, illustrative financials, workbooks, FAQs, and possibly regional training sessions
- Have developed communications tool to help governments communicate all of this to citizens and elected officials – Q&A Memo #2015-04

26

GASB 68 in NC

Training and Communication

- We have a dedicated web page for 67 and 68 – accessible from SLGFD homepage - https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/Pension-Standards.aspx
- Memos
  - 2014-12, introduction to the standards
  - 2015-04, Q&A on standards
  - 2015-06, clarification on implementation and auditing issues

27

North Carolina Department of State Treasurer
State and Local Government Finance

Learn. Invest. Grow. Prosper.

New Uniform Consolidated Grants Guidance

From Accountability for Compliance to Accountability for Results

The Honorable Jim Taylor
and Robert Shea

December 2014

Grant Thornton | An instinct for growth™

Agenda

- Background
- Former circulars
- Consolidated Resources
- New Guidance
- Effective Dates
- Measuring Success
- Major Changes
  - ✓ Definitions
  - ✓ Change in the audit threshold
  - ✓ Single Audit Act changes
  - ✓ Adoption of Risk Compliance

Grant Thornton | An instinct for growth™

Background

- Multiple sources of guidance, some conflicting, put grantees at risk of non-compliance, audit findings, or worse
- Compliance activities often divert resources from a focus on results
- The new guidance streamlines 8 federal regulations into a single comprehensive policy guide

The goal: better administration of $600 b in grants and other financial assistance; greater focus on results

© Grant Thornton LLP. All rights reserved.

Grant Thornton | An instinct for growth™

Background

- **Executive Order 13520** – Reducing Improper Payments and Eliminating Waste in Federal Programs

  When the Federal Government makes payments to individuals and businesses as program beneficiaries, grantees, or contractors, or on behalf of program beneficiaries, it must make every effort to confirm that the right recipient is receiving the right payment for the right reason at the right time.

  http://www.whitehouse.gov/the-press-office/executive-order-reducing-improper-payments

Payment ACCURACY

© Grant Thornton LLP. All rights reserved.

Grant Thornton | An instinct for growth™

Background

Presidential Memorandum: Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments

"I am instructing agencies to work closely with State, local, and tribal governments to identify administrative, regulatory, and legislative barriers in Federally funded programs that currently prevent States, localities, and tribes, from efficiently using tax dollars to achieve the best results for their constituents."

www.whitehouse.gov/the-press-office/2011/02/28/presidential-memorandum-administrative-flexibility

© Grant Thornton LLP. All rights reserved.

Grant Thornton | An instinct for growth™

Background

- M-13-17 Office of Management and Budget Memorandum: Next Steps in the Evidence and Innovation Agenda

Because many Federal dollars flow to States, localities, and other entities through competitive and formula grants, grant reforms are an important component of strengthening the use of evidence in government. The goals include encouraging a greater share of grant funding to be spent on approaches with strong evidence of effectiveness and building more evaluation into grant-making so we keep learning more about what works. "

www.whitehouse.gov/sites/default/files/omb/memorandum/2013/m-13-17.pdf

© Grant Thornton LLP. All rights reserved.

Grant Thornton | An instinct for growth™

Consolidated Circulars

The new guidance supersedes 8 OMB circulars that previously governed administrators and recipients of federal awards. They include:

A-21, A-87, A-89, A-102, A-110, A-122, A-133, parts of A-50.

© Grant Thornton LLP. All rights reserved.

The New Guidance

- Title 2, Code of Federal Regulations: Grants and Agreements
  Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
  - Establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities. No additional requirements (with exceptions)!
  - Systematic collection and uniform submission of information on Federal financial assistance programs to OMB.
  - Uniform administrative requirements agencies can impose
  - Principles for determining what are allowable costs
  - Standards for consistent / uniform audit of non-Federal entities

  http://www.ecfr.gov/cgi-bin/text-idx?SID=d690a3df30d95fe46b5270a50fdf847c&node=pt2.1.200&rgn=div5

© Grant Thornton LLP. All rights reserved.

Performance Management

Agencies must require recipients to relate financial data to **performance accomplishments and cost effectiveness**. The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. (§200.301)

© Grant Thornton LLP. All rights reserved.

Performance Management

Metrics for Measuring Impact of Guidance

Administrative

Number of OMB-approved Exceptions Focused on Program Performance Over Compliance

Single Audit Metrics

- Number of Repeat Findings for Higher Risk Major Programs

Overall Impact on Burden and Waste, Fraud, and Abuse

- Policy change that most reduced risk of waste, fraud, and abuse, and dollar value of impact

www.whitehouse.gov/sites/default/files/omb/memoranda/2014/m-14-17.pdf

© Grant Thornton LLP. All rights reserved.

Internal Controls

Awardees must "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is **managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award**. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)." (§200.303)

© Grant Thornton LLP. All rights reserved.

Treatment of Costs

- **The goal**: reduce burden
- Total cost direct + allocable indirect - applicable credits.
- Direct costs: identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily.
- Indirect costs: incurred for a common purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- A cost is allocable to an award if goods or services are chargeable to that award or cost objective in accordance with benefits received.

© Grant Thornton LLP. All rights reserved.

Treatment of Costs

- Because time and effort reporting was deemed to be unreasonably burdensome, the new guidance relaxes the requirement for time and effort reporting.
- The new guidance:

  "Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

  (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated."
- Theoretically, **a sound system of internal controls should satisfy audit scrutiny**.

© Grant Thornton LLP. All rights reserved.

Oversight

- Unless approved by OMB, **agencies may not solicit data elements other than those in the standard, OMB-approved governmentwide data elements for collection of financial information.**
- The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved.
- The Data Collection Form can be found here: https://harvester.census.gov/facweb/files/2013%20Form%20SF-SAC.pdf

© Grant Thornton LLP. All rights reserved.

Audit

- **Single Audit Threshold**: $750,000
- Audit is to be in lieu of any financial audit of Federal awards required to undergo under any other Federal statute or regulation. Federal agencies must generally rely on and use that information.
- Sate, local government, or Indian tribe required to undergo audits less frequently than annually permitted to undergo its audits biennially.

© Grant Thornton LLP. All rights reserved.

Effective Dates

- Federal agencies must issue regulations implementing this guidance by **December 26, 2014**.
- Requirements will apply to audits of fiscal years beginning on or after **December 26, 2014**.

© Grant Thornton LLP. All rights reserved.

Next Steps

- Release of the Single Audit Act Compliance Supplement
- OMB to review agency implementing regulations
- Agency implementing regulations effective December 26, 2014

© Grant Thornton LLP. All rights reserved.

Where to go for more information

- The **Council on Financial Assistance Reform** (COFAR) (https://cfo.gov/cofar)
- PART 200 (Code of Federal Regulations—Uniform Administrative Requirements, Cos Principles, and Audit Requirements for Federal Awards (http://bit.ly/1neUNOR)
- **Crosswalks** showing changes from existing guidance to new guidance (www.whitehouse.gov/omb/grants_docs)
- Training **videos** explaining the new guidance (https://cfo.gov/cofar)

© Grant Thornton LLP. All rights reserved.

Contact Us

The Honorable Jim Taylor
Managing Director, Grant Thornton's Public Sector Practice
(703) 837-4455
Jim.Taylor@us.gt.com

Robert Shea
Principal, Grant Thornton's Public Sector Practice
(703) 637-2780
Robert.Shea@us.gt.com

© Grant Thornton LLP. All rights reserved.

Grant Thornton | An instinct for growth™

Office of State Controller Financial Conference

State Auditor's Update

December 16, 2014

Beth A. Wood, CPA, State Auditor

1

State Auditor's Update Objectives

- ✓ **Discuss of Most Common Deficiencies in 2013 Single Audit**
- ✓ **Discussion of Findings for 2014**
- ✓ **Discussion of the Affect of Super Circular on Future Audits of Federal Grants**
- ✓ **Discussion of Future Financial Statement Audits**

2

State Auditor's Update
Federal Expenditures

- ✓$22.3B - Federal Expenditures
  - ✓$3.3B – Expended by Subrecipients

3

State Auditor's Update
History of Number of Findings

- ✓2013 – 91 Findings
- ✓2012 – 88 Findings
- ✓2011 – 136 Findings
- ✓2010 – 133 Findings
- ✓2009 - 168 Findings

4

State Auditor's Update
Types of Findings

- ✓Internal Control Findings

VS

- ✓Compliance Findings

5

State Auditor's Update
Most Commonly Written

- ✓Deficiencies in Subrecipient Monitoring
- ✓Deficiencies in County Eligibility Determination
- ✓Federal Reporting
- ✓Allowable Costs/Cost Principles

6

State Auditor's Update
Subrecipient Monitoring

- ✓ Agency Monitoring Plans Not Followed
- ✓ Monitoring Visits Not Documented
- ✓ No Procedures to Ensure Monitoring Reports Reviewed/Results Communicated
- ✓ Monitoring Reports Not Viewed Timely
- ✓ Not All Monitoring Procedures Completed
- ✓ Corrective Actions Not Required

7

State Auditor's Update
Eligibility

- ✓ Grant Applications for Subrecipients Not Reviewed
- ✓ Deficiencies in Eligibility Determinations
- ✓ Files Missing

8

State Auditor's Update
Federal Reporting

- ✓ Timely Federal Reporting
- ✓ Inaccurate Reports
- ✓ Did not Submit Required Reports at All

9

State Auditor's Update
Allowable Costs/Cost Principles

- ✓ Agency Paid for Unallowable Items

10

State Auditor's Update
2014 Findings

- ✓Control Environment Finding
  - ✓Repeat Findings
- ✓ Super Circular "REQUIRES" Designation of Repeat Findings

11

State Auditor's Update
Affects of Super Circular

- ✓Increase in Audit Threshold
- ✓Change in Risk-Based Approach
  - ✓Type A/Type B Threshold
  - ✓Criteria For Determining Type A as Low-Risk
  - ✓Criteria for Choosing Type B Programs

12

State Auditor's Update
Affects of Super Circular (cont'd)

- ✓Change in % of Coverage
- ✓ Increase in Threshold for Reporting Questioned Costs

13

State Auditor's Update
Affects of Super Circular

- ✓On the Horizon:
  - ✓Going From 14 Compliance Requirements to 6 Compliance Requirements

14

State Auditor's Update
Compliance Requirements

A. Activities Allowed/Unallowed
B. Allowable Cost/Cost Principles
C. Cash Management
D. Davis-Bacon Act
E. Eligibility
F. Equipment and Real Property Management
G. Matching, Level of Effort, Earmarking
H. Period of Availability Federal Funds
I. Procurement, Suspension & Debarment
J. Program Income
K. Real Property Acquisition, Relocation Assistance
L. Reporting
M. Subrecipient Monitoring
N. Special Tests and Provisions

15

State Auditor's Update
Compliance Requirements

A. Activities Allowed/Unallowed, B. Allowable Cost/Cost Principles; G. Matching, H. Availability of Federal Funds

C. Cash Management

E. Eligibility

L. Reporting

M. Subrecipient Monitoring

N. Special Tests and Provisions

16

State Auditor's Update
Audit of NC Financial Statements Going Forward

- ✓Users of NC Audited Financial Statements
- ✓Legislative Request
- ✓Financial Statements/More Detail/Audited

17

State Auditor's Update
Audit of NC Financial Statements Going Forward

- ✓Agencies Requested
  - ✓Department of Health and Human Services
  - ✓Department of Public Instruction
  - ✓Department of Public Safety
  - ✓Department of Revenue
  - ✓Department of the Treasurer
  - ✓Department of Transportation

18

State Auditor's Update
Audit of NC Financial Statements Going Forward

- ✓ Rationale for the Request
- ✓ Affect to Audit of NC Financial Statements

19

State Auditor's Update
State Controller's Financial Conference

Questions?

20

The Uniform Guidance: Impact for UNC Institutions of Higher Education

Sarah Smith
Director of Sponsored Programs
UNC General Administration

Background

- Uniform Guidance (2 CFR 200) consolidates the regulations previously codified in Federal circulars applicable to non-Federal entities for administrative requirements, cost principles and audit into a single set of regulations.
  http://www.ecfr.gov/cgi-bin/text-idx?SID=ed90f54836feb6a994f657188eb05e33&node=2:1.1.2.2.1&rgn=div5
- COFAR Frequently Asked Questions
  https://cfo.gov/wp-content/uploads/2014/11/2014-11-26-Frequently-Asked-Questions.pdf
- Streamline and reduce administrative burden

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Higher Education Policy Organizations

- Council on Government Relations (COGR)
- Federal Demonstration Partnership (FDP)
- American Association of Universities (AAU)
- Association of Public and Land-grant Universities (APLU)

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Timeline

- Comments Round 1, April 2012
- Comments Round 2, May 2013
- UG released December 26, 2013
- Agency implementing regulations by December 26, 2014

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Application of the UG

- New awards after this date are subject
- Incremental funding on existing awards made after this date may be subject
- Existing awards with no further funding will be subject to the current OMB Circulars
- Non-Federal entities are NOT required to segregate and track old and new funds but may do so at their discretion

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Important Dates

- July 1, 2015

Beginning of the FY subject to the audit requirements under the UG

- July 1, 2016

Procurement Regulations become effective

  - FDP is working on recommendations for micro purchases

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Organization of the Uniform Guidance

- Subpart A, 200.xx Acronyms and Definitions
- Subpart B, 200.1xx General Provisions
- Subpart C, 200.2xx Pre-award Requirements and Contents of Federal Awards
- Subpart D, 200.3xx Post Federal Award Requirements
- Subpart E, 200.4xx The Cost Principles
- Subpart F, 200.5xx Audit Requirements
- Appendices (11 total)

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Concepts in the UG

- UG informs the maximum requirements Federal agencies can impose
- UG informs minimum standards that non-Federal recipients must adhere to
- UG reduces duplicative and conflicting provisions that were in the circulars
- Use of should and must
  - Should – best practice for non-Federal entity
  - Must – actual requirements for Federal and non-Federal entities

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Subparts A - Definitions

- 200.1-99 Definitions – applicable to all sections of the UG and types of awards
- 200.12 Capital Assets and intellectual property (including software) whether acquired or purchased
- 200.20 Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (peripherals) for printing, transmitting and receiving, or storing electronic information

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Definitions

- 200.48 General purpose equipment means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular officers, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment and motor vehicles.
- 200.58 Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services) and related resources.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Definitions

- 200.67 Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro purchase threshold. The micro purchase threshold is currently $3,000.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Definitions

- 200.68 Modified total direct cost means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first $25K of each subaward or contract. MTDC excludes **equipment**, capital expenditures, charges for patient care, **rental costs**, tuition remissions, scholarships, fellowships, **participant support costs** and the portion of each subawards and subcontracts in excess of $25K. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Definitions

- 200.75 Participant support costs means direct costs of items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.
- 200.94 Supplies means all tangible personal property other than those described in 200.33 equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5K, regardless of the useful life.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.112 Conflict of interest - The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any "potential" conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.205 Federal awarding agency review of risk posed by applicants
  - SAM.GOV registry to determine eligibility – feds must have a framework for evaluating risk posed by applicants prior to award. Agencies may take a risk based approach and may consider:
  - Financial stability
  - Quality of management systems
  - History of performance
  - Reports and findings from audits performed under UG
  - Applicant's ability to effectively implement statutory, regulatory or other requirements

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.301 Performance management
  - Federal awarding agencies must require recipients to use OMB-approved standard government-wide information collections to provide financial and performance information.
  - Recipients must be required to relate financial data to performance accomplishments, and must also provide cost information to demonstrate cost effective practices.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.303 Internal Controls: non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations and terms and conditions of the Federal award.)
  - Compliance with Federal regulations, terms and conditions
  - Evaluate and monitor compliance
  - Prompt action when non-compliance is identified including identified in audit findings
  - Institute reasonable measures to safeguard PPII

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.308 - Revision of budget or program plan
  - Prior approval needed to rebudget from PSC
  - Restriction of rebudgeting training costs is removed
  - PI can be away from the campus and remain engaged in the project. Prior approval is only required when PI is "disengaged" from the project for more than 3 months or there is a 25% reduction in time devoted to the project

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.313 Equipment
  - Property records must be maintained that include a description of the property, a serial number or other identifier, the source of funding (including Federal award number), who holds title, the acquisition date, the cost of the property, and the percentage of Federal participation in the project costs of the Federal award under which the property was acquired, the location, use and condition of the property, and ultimate disposition data, including date of disposal and sale price.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- 200.314 Supplies
  - Title to supplies will vest in the non Federal entity upon acquisition. If there is a residual inventory of unused supplies exceeding $5K in total aggregate value upon termination or completion of the project and the supplies are not needed for another Federal award, the non Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal government for its share of the residual supplies.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Procurement Standards
  - OMB has issued a one-year grace period for implementation of the procurement standards
  - 200.318(c)(1) the non-Federal entity must maintain written standards covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts
  - Procurement by micro purchase (200.320)

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Procurement Standards
  - Procurement by micro purchase is the acquisition of supplies or services, the aggregate dollar amount which does not exceed $3K (or $2K in the case of acquisition for construction subject to David-Bacon). To extent practicable, the non-Federal entity must distribute micro purchases equitably among qualified suppliers. Micro purchases may be awarded without soliciting competitive quotations if the non Federal entity consider the price to be reasonable.

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administration Requirements

- Procurement Standards
  - New category of micro purchase which appears to allow purchases up to $3K without competition
  - Implication is that purchases of >$3K would have to be competitive in some way
- 200.320 5 methods of procurement
  - Micro purchases: require no competition if cost is reasonable, are $3K or less and can be equitably distributed among qualified suppliers
  - Small Purchase: can be up to the simple acquisition threshold of $150K, price and rate quotes must be obtained (more than one), no cost or price analysis is required

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Procurement Standards
  - Sealed bids: preferred method for construction, used for procurements over $150K, price is a major factor (lowest bid)
  - Competitive proposals: procurements over $150K, utilizes an RFP that includes evaluative methods, awarded with either a firm fixed price or cost reimbursement type contract

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Procurement Standards
  - Non-competitive bid (sole source): may be used when one or more of the following apply:
    - The item is available only from a single source
    - The public exigency or emergency for the requirements will not permit a delay resulting from a competitive process
    - The Federal awarding agency (or pass through) expressly authorizes this method in response to a written requires from the non-Federal entity
    - After solicitation of a number of sources, competition is determined inadequate
    - For scientific reasons

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Management
  - 200.330 explains the roles of subrecipients and contractors so that the non-Federal entity can determine the relationship and the applicable requirements
    - A non-Federal entity provides a subaward to a subrecipient based on a Federal assistance relationship between the non-Federal entity and the subrecipient
    - A non-Federal entity provides a contract to a contractor for the purpose of obtaining goods or services and creates a procurement relationship
    - What the document is called does not matter, it's the relationship between the non-Federal entity and the subrecipient or contactor

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Management
  - Pass through entities must make case by case determinations whether each agreement it makes for disbursement of Federal program funds casts the party receiving the funds in the role of subrecipient or contractor

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Risk Assessment
  - Evaluate each subrecipient's risk of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring which may include considers such as:
    - Experience with similar awards
    - Results of previous audits
    - Whether subreceipint has new personnel or new ur substantially changed systems
    - Extent and result of Federal awarding agency monitoring of the subrecipient

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Risk Assessment
  - Pass through entities are required to use the Federal Audit Clearinghouse to verify audit reports (200.512)
  - Depending on risk assessment
    - Provide subrecipient with training and technical assistance
    - Perform on site reviews
    - Arrange for agreed upon procedure engagements (requires prior approval 200.425)

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- **200-331 Requirements for pass through entities** – pass-throughs must include specific information in the subaward, or when the subaward changes
  - FAIN, DUNS, F&A rate for the Federal award, requirements imposed by the pass through, requirements to provide access to records for audit
  - Conduct a risk assessment to determine appropriate monitoring and must monitor the subrecipient
  - Consider if specific subaward conditions are needed
  - Verify subrecipients have audits in accordance with Subpart F of 2 CFR 200
  - Make necessary adjustments to the pass through entity's records based on reviews and audits of subrecipients
  - Consider actions to address subrecipient noncompliance
  - Report in accordance with FFATA

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Monitoring
  - 200.331(d) When monitoring ensure financial and programmatic reports are received and reviewed
    - Follow up to ensure subrecipeints take appropriate action on all deficiencies pertaining to the subaward from the pass through entity identified through audits, onsite reviews and other means
    - Issue a management decision (timely) for audit findings pertaining to subawards made by the pass through entity
    - Verify that subrecipients are audited, as required
    - If applicable, arrange for agreed upon procedures for audit

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Administrative Requirements

- Subrecipient Monitoring
  - 200.425 Audit services
    - pass throughs may charge Federal awards for the cost of agreed upon procedures engagements to monitor subrecipients who are exempted from requirements of the Single Audit Act and Subpart F

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Subpart E-Cost Principles
Items of Interest to UNC Campuses

- Administrative/Clerical Salaries
- Indirect Cost Rates
- Compensation – personal services, time & attendance, terminal leave payout
- Publication Costs, Losses on Other Awards, Taxes, Computing Devices, Cost Accounting Standards
- 200.407 lists the 22 items that require prior approval (including administrative salaries)

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.413 Direct Costs
  - Salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charge may be appropriate is ALL of the following conditions are met:
    - The administrative or clerical services are integral to the project or activity
    - Individuals involved can be specifically identified with the project or activity
    - Such costs are explicitly included in the proposal budget or have the prior written approval of the agency The costs are not also recovered as an indirect cost

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.414(f) - Indirect costs
  - 200.414(f) afford the 10% deminimis rate that can be used by non-Federal entities that do not have a negotiated F&A rate and can be used indefinitely

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.419 Cost Accounting Standards
  - Cost Accounting Standards (CAS) 501, 502, 505 and 506 apply to Universities that receive $50M or more in Federal awards over a fiscal year
  - The Disclosure Statement (DS-2) Threshold is $50M in annual Federal awards.
  - Amendments to the DS-2 must be filed six months in advance of a disclosed practice being changed – cognizant agency then has six month time frame to approve or express concerns

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.430 (h) Compensation - IHE Allowable Activities
  - Delivering special lectures about specific aspects of ongoing activity
  - Writing reports and articles
  - Developing and maintaining protocols (animals, humans, etc.)
  - Managing substances/chemicals
  - Managing and securing project specific data
  - Coordinating research subjects
  - Participating in appropriate seminars
  - Consulting with colleagues and graduate students
  - Attending meetings and conferences

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.430(8)(c)(x) Compensation
  - It is recognized that teaching, research, service and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.430 (i) Compensation Standards of Documentation
  - Periodic certifications of effort (time and effort reporting) are no longer explicitly required
  - Must be supported by a system of internal controls
  - Must be incorporated into the entity's official records
  - Must reasonably reflect total activity (Federal and non-Federal)
  - Must comply with institution's accounting policies
  - Must support the distribution of employee's salary among specific activities

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- Significant changes in activity are entered into the entity's records timely
- System of internal controls includes processes to review after-the-fact interim changes. Final amount charged is accurate, allowable and properly allocated
- For records that meet these standards, the non-Federal entity will NOT be required to provide additional support or documentation for work performed

WWW.NORTHCAROLINA.EDU

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.431(b) Compensation – Fringe Benefits
  - The cost of fringe benefits in the form of regular compensation paid to employees during period of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, etc., are allowable if all of the following criteria are met:
    - They are provided for under established written leave policies
    - The costs are equitably allocated to all related activities, including Federal awards
    - The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by non-Federal entity or special grouping of employees

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.431 (b) Compensation – Fringe Benefits
  - (i) when a non-Federal entity use the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminated employment are allowable ~~*as indirect costs*~~ in the year of payment. TECHNICAL CORRECTION EXPECTED

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.451 Losses on Other Awards
  - Any excess of costs over authorized funding levels transferred from any award or contract to another award or contract is unallowable. All losses are not allowable indirect (F&A) costs and are required to be included in the appropriate indirect cost rate base for allocation of indirect costs.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.453 (c) Material and Supplies Costs
  - Charging computing devices (laptop and desktop computers and associated supplies) as direct costs are allowable for devices that are essential and allocable, but not solely dedicated, to the performance of the Federal award
  - Computing devices, defined as supplies when the cost is the lesser of the entity's capitalization level of $5K, are subject to the less burdensome administrative requirements of supplies (as opposed to equipment) if the acquisition cost is less than the capitalization threshold.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- 200.461 – Publication and Printing Costs
  - The non-Federal entity may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Cost Principles

- Taxes (including value added tax)
  - Value Added Tax (VAT) Foreign taxes charged for the purchase of goods or services that a non-Federal entity is legally required to pay in country is an allowable expense under Federal award.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Subpart F –Audit Requirements

- Modifications have been made in an effort to
  - Strengthen oversight and the risk-based approach to determine major programs
  - Shift the audit focus to areas at greatest risk of fraud, waste and abuse
  - Increase transparency of audit results
  - Increase accountability

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Audit

- 200.051 – Audit Requirements
  - non-Federal entities that expend $750K or more in Federal awards during their fiscal year must have a single audit conducted unless they elect to have a program-specific audit.

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Audit

- 200.512 – Report Submission
  - The Federal Audit Clearinghouse (FAC) is the repository of record and all auditees are required to submit the reporting package and the data collection form electronically to the FAC
  - All Federal agencies, pass-through entities and other interested in a reporting package and data collection form must obtain it from the FAC
  - Auditees are required to submit the Single Audit Report to the FAC for publication online with safeguards for protected personally identifiable information
  - The FAC must make the reporting packages available to the public

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Audit

- 200.516(a)(3) Increases the threshold for reporting known and likely questioned costs to $25K
- 200.516(b)(6) Requires that questioned costs be identified by CFDA number and applicable Federal award identification number
- 200.516(b)(8) Requires identification of whether audit finding is a repeat form the immediate prior audit and if so the prior year audit finding number
- 200.516(c) Requires audit finding numbers be in the format prescribed by the data collection form

UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

Summary

- Definitions and Administrative Requirements
  - Computing Devices/General purpose equipment/Supplies
  - Compensation/Fringe Benefits
  - Micro Purchase
  - Subrecipient risk assessment and monitoring
- Cost Principles
  - Administrative/clerical salaries, compensation
  - materials/supplies, publications, losses on other awards,
- Audit
  - Increased single audit threshold

WWW.NORTHCAROLINA.EDU

ECONOMIC OUTLOOK: ROLLING OR STROLLING?

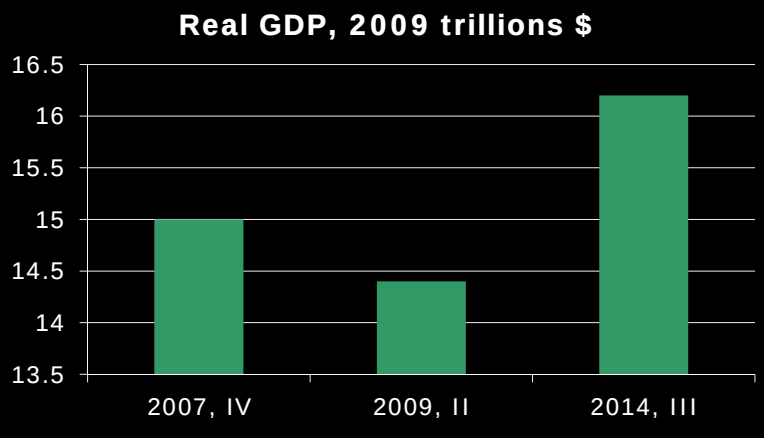
Dr. Mike Walden

Reynolds Distinguished Professor

North Carolina State University

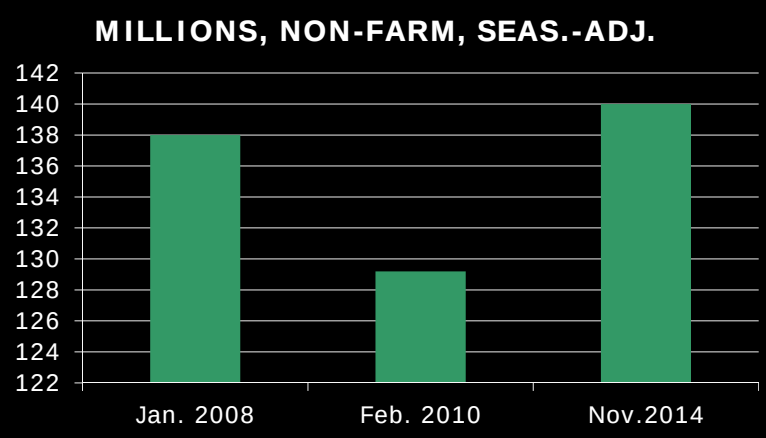
1

AGGREGATE PRODUCTION HAS TOTALLY RECOVERED



2

THE JOB MARKET HAS ALSO COME BACK



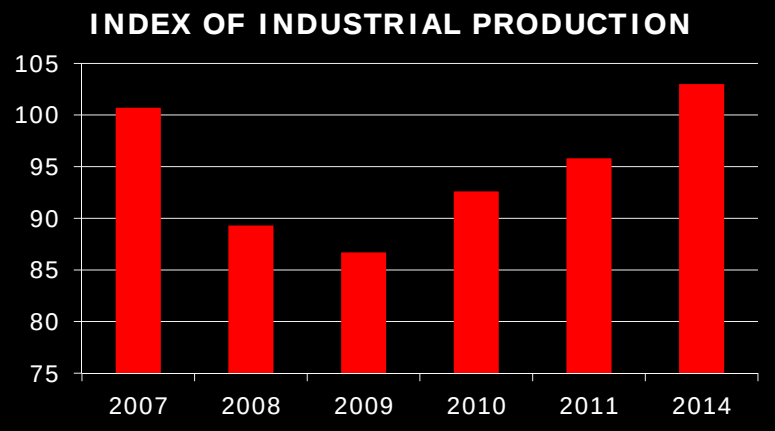
3

BUT JOB MARKET ISSUES LINGER

- DROP IN LABOR FORCE
- REAL WAGE LOSSES
- IMPACT OF TECHNOLOGY
- INCOME INEQUALITY

4

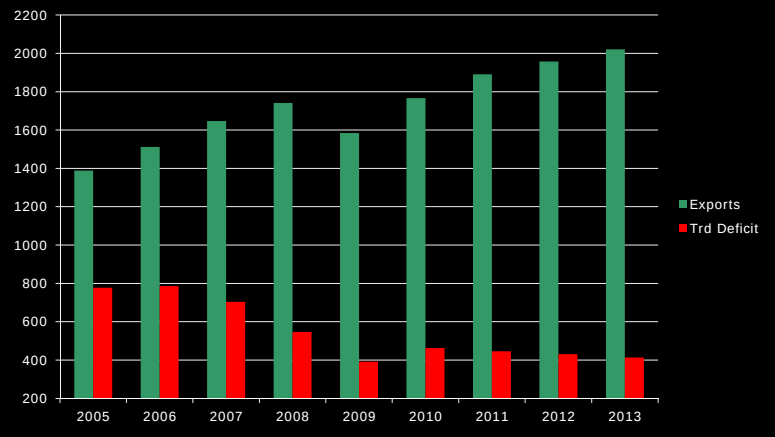
MANUFACTURING HAS BEEN A BIG PLUS



5

….. AS HAVE EXPORTS

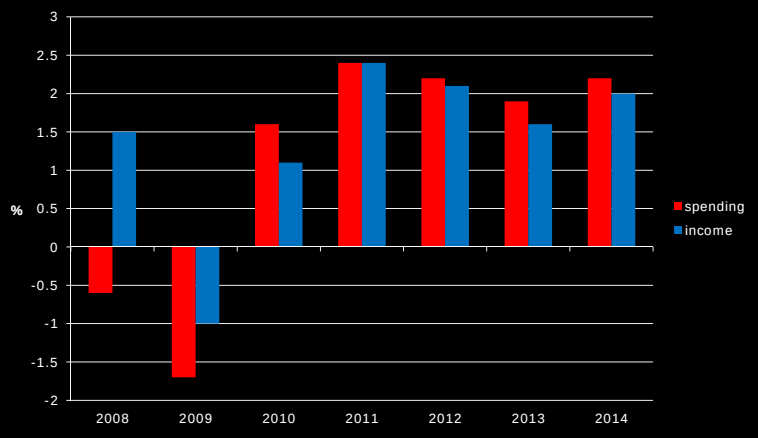
billions of real 2009 $



6

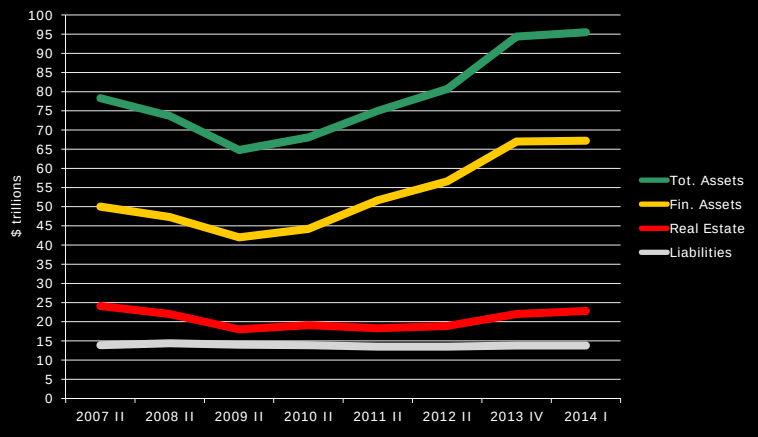
CONSUMERS ARE SPENDING MORE

(ANNUALIZED INFLATION-ADJUSTED PERCENTAGE CHANGES)



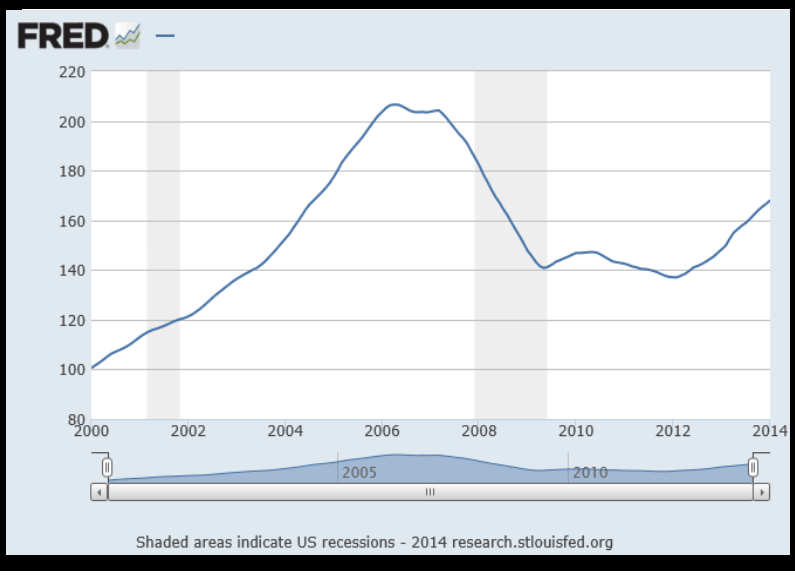
7

HOUSEHOLD FINANCES CONTINUE TO IMPROVE



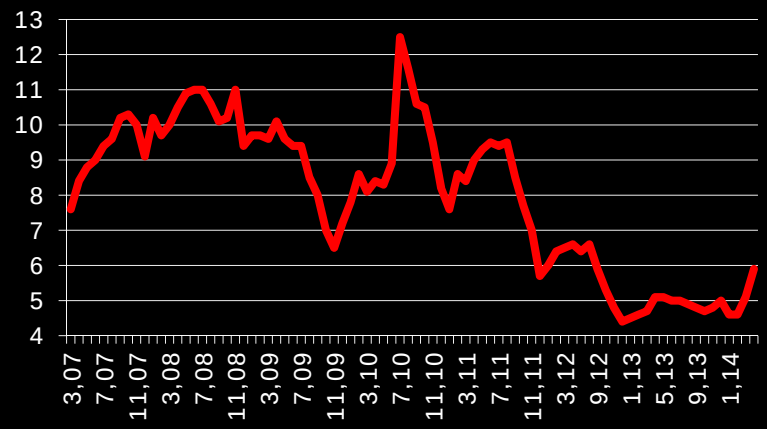
8

HOME PRICES ARE NOW RISING



HOME INVENTORIES ARE LOW

(MONTHS TO SELL EXISTING INVENTORY)



10

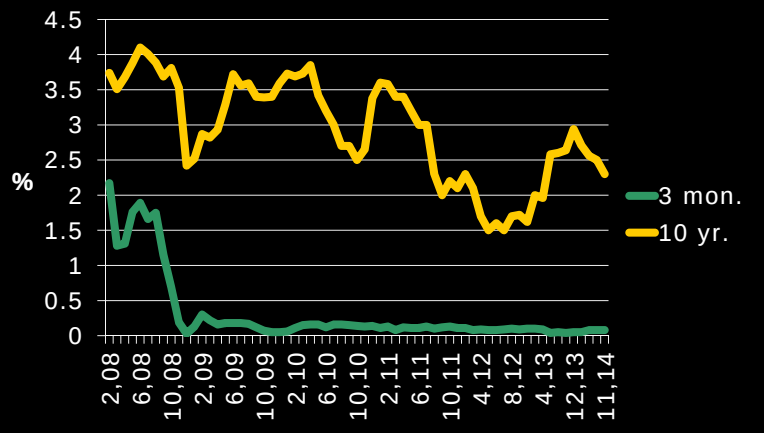
INFLATION IS STILL TAME

(CPI, total, annual % chg.)

11

UP OR DOWN FOR LONG RATES?

(YIELDS ON TREASURY SECURITIES)



12

WORLD WORRIES

EBOLA

EUROPEAN STAGNATION

STRONGER DOLLAR

MIDDLE EAST

13

NATIONAL FORECASTS

225,000 – 250,000 JOBS CREATED PER MONTH

2.5% TO 2.75% GDP GROWTH RT

UNEMPLOYMENT NEAR 6.0% AT YEAR'S END

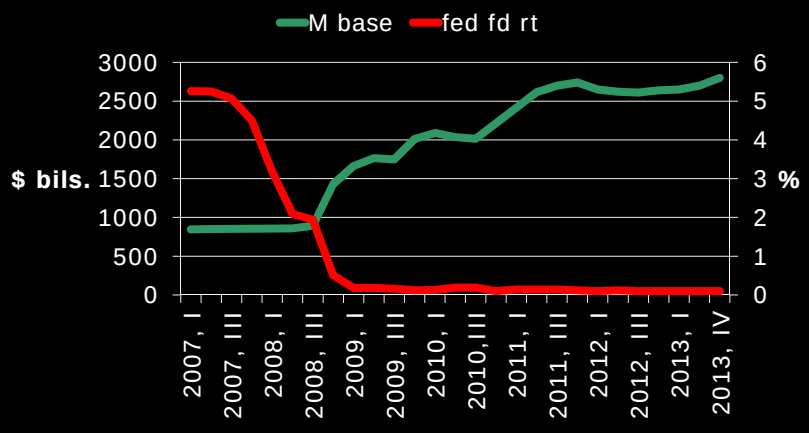
LONG RUN: STAGNATION
or
INNOVATION?

14

GOVERNMENT POLICY

15

THE FED WAS VERY AGGRESSIVE IN FIGHTING THE RECESSION



16

WHERE WILL YELLEN TAKE THE FED, AND HOW FAST?

ALREADY HAS "TAPERED" MONTHLY MORTGAGE PURCHASES

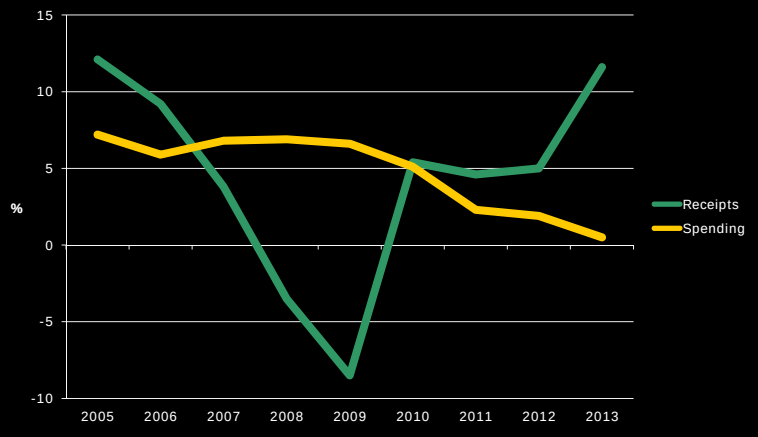
WHEN WILL INTEREST RATES BE INCREASED?

NO "RULES" ON WHEN TO MAKE CHANGES

17

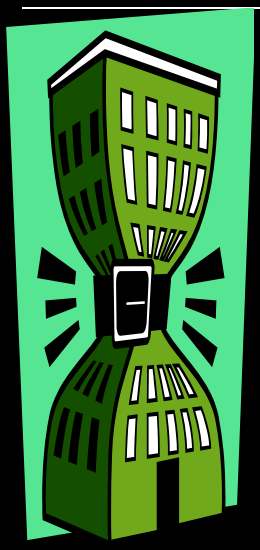
FISCAL POLICY HAS "TIGHTENED"

(% of GDP)



18

THE CONTINUING FISCAL DEBATE



DEMOGRAPHIC PRESSURES ON SPENDING

TRANSFERS TAKING THE PLACE OF INVESTMENTS

COMPLEX TAX CODE

LONG-RUN FISCAL PLAN NEEDED

19

NORTH CAROLINA ECONOMY

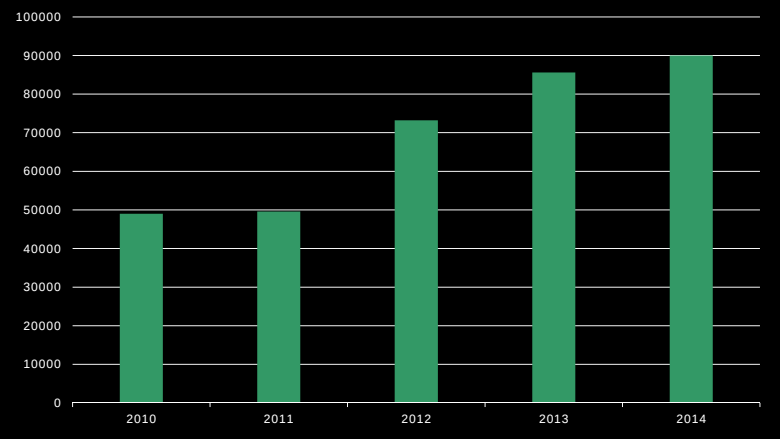
20

TRENDS IN NC AND US GDP

(2007 = 100)

21

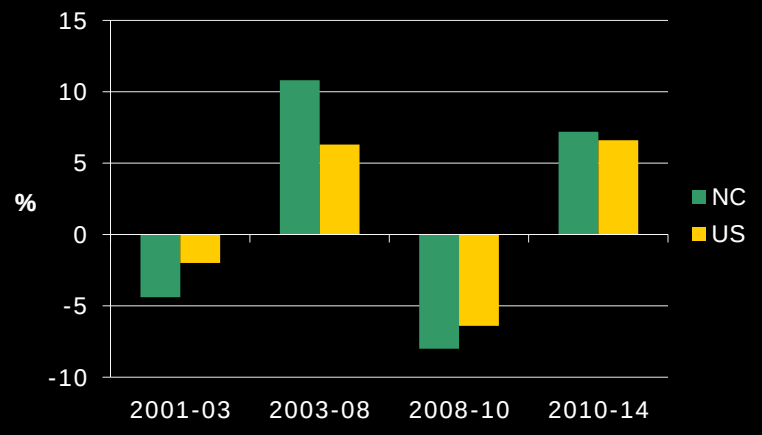
NC PAYROLL JOB GROWTH



22

N.C. JOB GROWTH HAS KEPT PACE

(% CHANGE IN SEAS. ADJ. NON-FARM EMPLOYMENT)



23

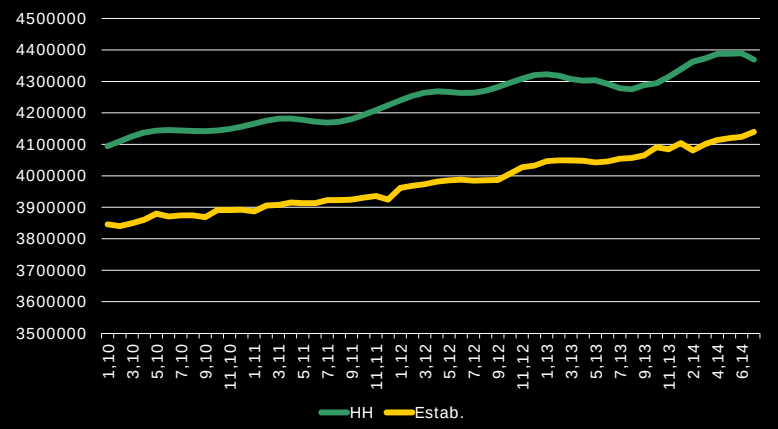
TWO MONTHLY JOB SURVEYS

HOUSEHOLD SURVEY	ESTABLISHMENT SURVEY
FEDERAL GOV'T	*FEDERAL GOV'T*
CONTACTS HH'S	*CONTACTS FIRMS*
SMALL SAMPLE	*LARGER SAMPLE*
EMPLOYED OR NOT	*COUNTS JOBS*
HOUSEHOLD IN STATE	*JOB IN STATE*
INFO ABOUT JOB SEARCH	*WAGES, HRS, INDUSTRY*

24

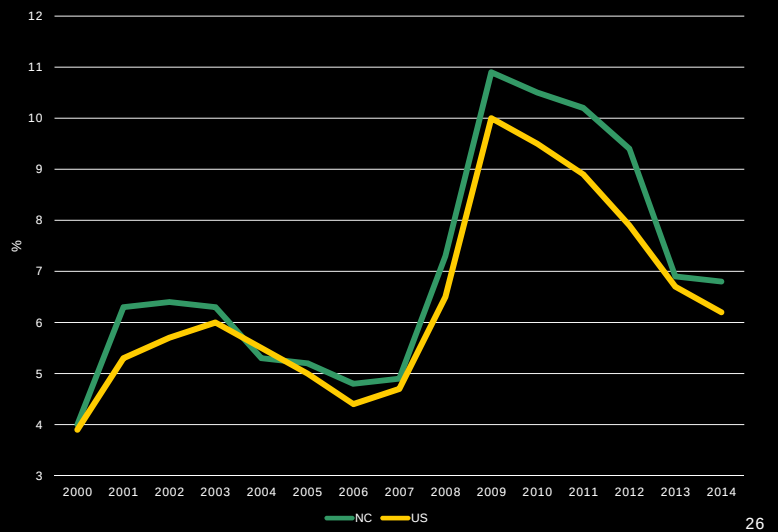
ESTIMATED NORTH CAROLINA EMPLOYMENT

HOUSEHOLD AND ESTABLISHMENT SURVEYS, SEASONALLY-ADJUSTED



25

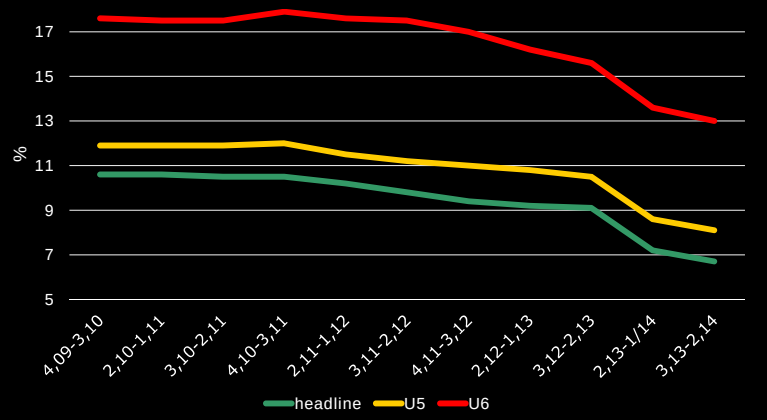
TRENDS IN NATIONAL AND NORTH CAROLINA "HEADLINE" UNEMPLOYMENT RATE



26

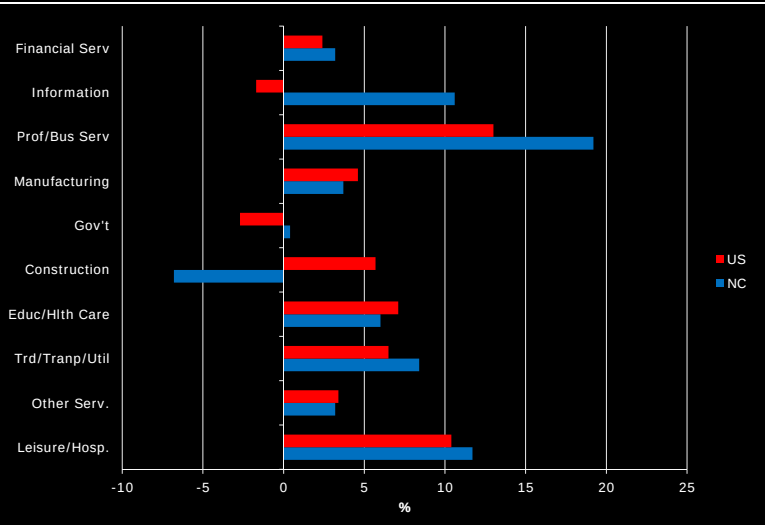
ALTERNATIVE MEASURES OF THE NORTH CAROLINA UNEMPLOYMENT RATE

2007: HEADLINE, 4.5%; U5, 5.6%; U6, 8.5%



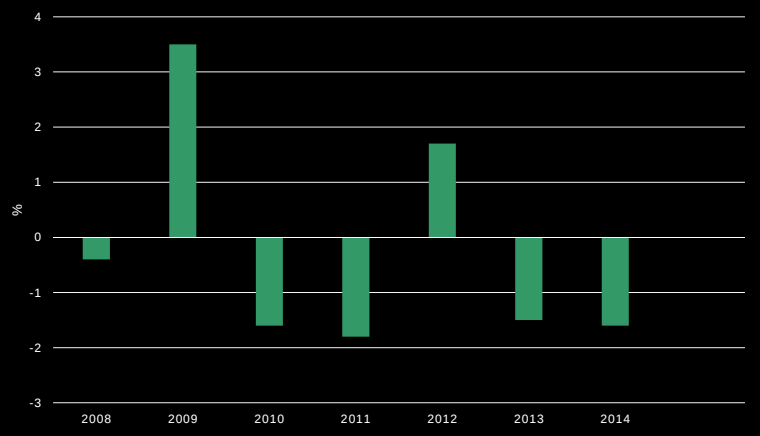
27

INFORMATION, GENERAL BUSINESS, AND ENTERTAINMENT LEAD IN GROWTH



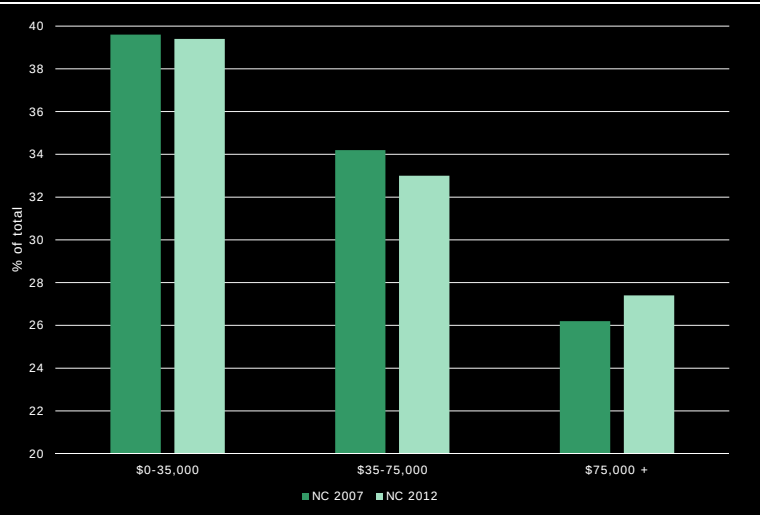
28

ANNUAL CHANGE IN REAL HOURLY EARNINGS FOR NC PRIVATE SECTOR WORKERS (%)



29

NORTH CAROLINA AND THE NATION ARE LOSING MIDDLE-PAYING JOBS

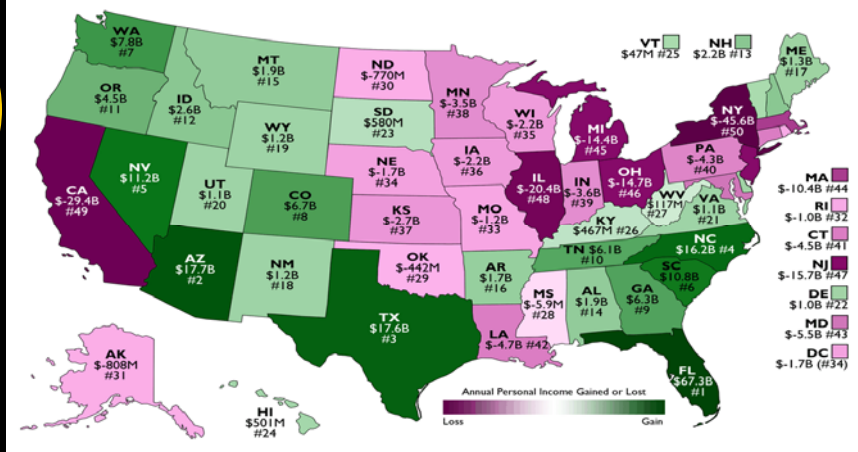


30

THE HOUSING MARKET HAS REBOUNDED IN THE STATE

31

Migration of Personal Incomes Between States, 2000-2010



Source: IRS; Tax Foundation calculations

Note: Figures shown are the net aggregate adjusted gross income (AGI) of migrants moving into or out of states between 2000 and 2010. Figures are in real 2010 dollars. Does not include foreign migration, births, or deaths. Published August 19, 2013.

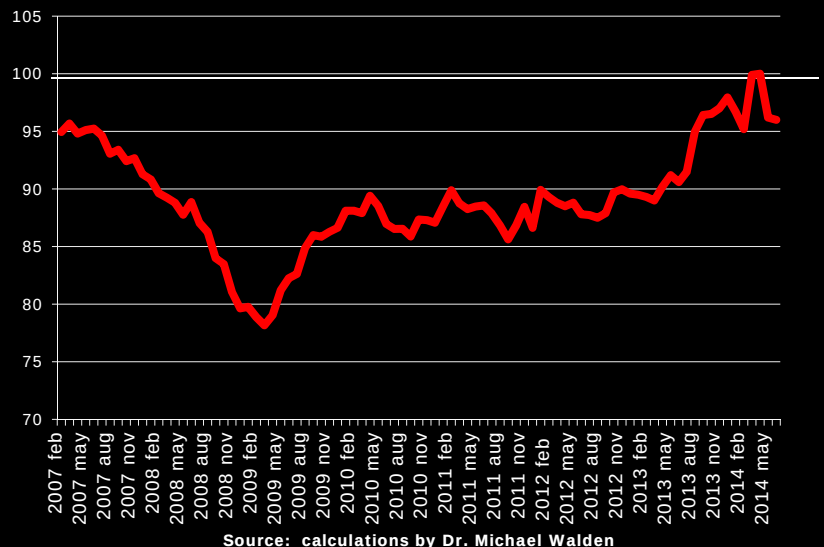
taxfoundation.org/maps

Area NC Job Gains Since Bottom of Recession

Raleigh/Cary	12.6%
Charlotte	11.3%
Durham/CH	7.4%
North Carolina	6.8%
Asheville	6.8%
Wilmington	5.7%
Burlington	5.4%
Rural NC	4.4%
Winston-Salem	4.2%
Greenville	4.1%
Greensboro/HP	3.7%
Goldsboro	2.4%
Hickory	2.3%
Jacksonville	1.2%
Fayetteville	0.8%
Rocky Mount	-2.5%

33

NCSU INDEX OF NORTH CAROLINA LEADING ECONOMIC INDICATORS



Source: calculations by Dr. Michael Walden

34

NORTH CAROLINA GROWTH PROSPECTS

90,000 TO 100,000 NET NEW PAYROLL JOBS

JOBLESS RATE AT END OF 2014 BETWEEN 6.0% & 6.5%

70% OF JOB CREATION IN CHARLOTTE, TRIANGLE, & TRIAD

COMPETITIVE COSTS, AMENITIES, DYNAMICS OF URBAN AREAS

35

NORTH CAROLINA CHALLENGES

EDUCATIONAL ATTAINMENT

$ FOR ROADS – WHERE?

MANFACTURING SHIFT FROM LABOR TO CAPITAL

URBAN – RURAL DIVIDE

36

MOVE OUT OF YOUR COMFORT ZONE: BIG DATA, THE ERA OF ABUNDANCE

ERIC HUNLEY
SENIOR MANAGER, STATE AND LOCAL GOVERNMENT PRACTICE

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

BIG DATA | AGENDA

- What?
- Why?
- How?
- Where?

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

WHAT

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

"Big data is what happened when the cost of storing information became less than the cost of making the decision to throw it away.”

George Dyson

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

OUR PERSPECTIVE | BIG DATA IS RELATIVE NOT ABSOLUTE

Big Data *(Noun)*

Data of such volume, variety or velocity that an organization must move ***beyond its comfort zone*** technologically to derive intelligence for effective decisions. Unstructured data introduces more variability and complexity.

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

BIG DATA | INTERESTING FACTS

http://bcove.me/1te37l04

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

BIG DATA | INTERESTING FACTS

- By 2020 Emerging Markets will lead the world in growth of data
- Within 5 – 6 years there will be more than 2.8 Zetabytes of data captured
  - KB, MB, GB, TB, PB, EB, ZB
  - 50X larger than today
- By 2016 there will be enough data accumulated equivalent to a 2 lane highway reaching from Tokyo to San Francisco
- Nearly ½ of the worlds data is unprotected
- Only .5% of all data is actually analyzed
- Data → Information → Knowledge → Wisdom

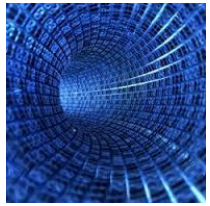
Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

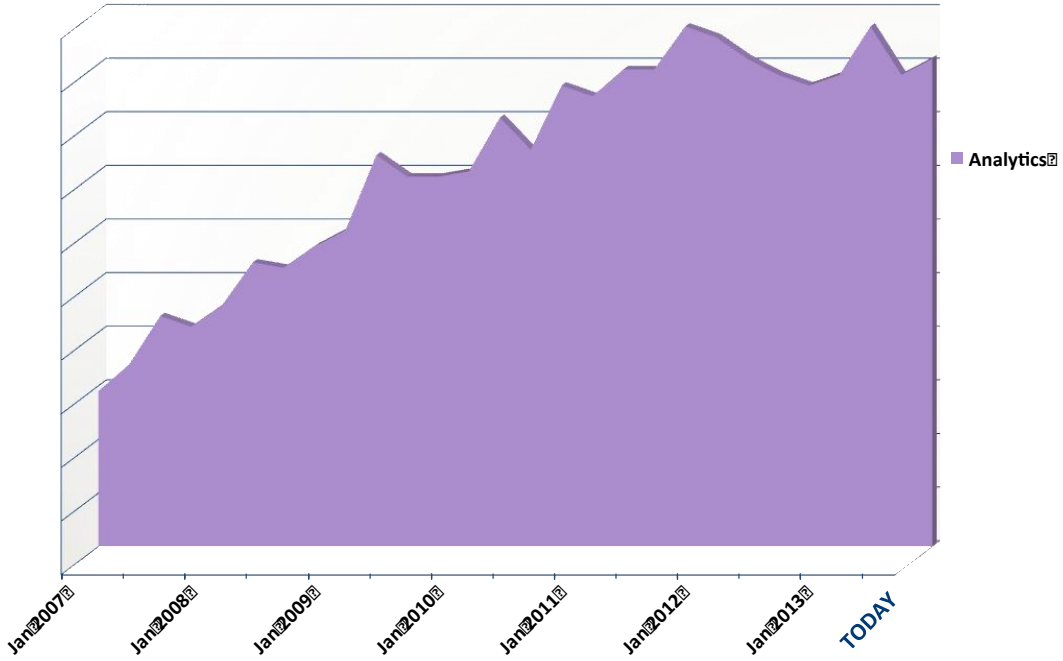
WHY

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

GOOGLE TRENDS

“ANALYTICS”

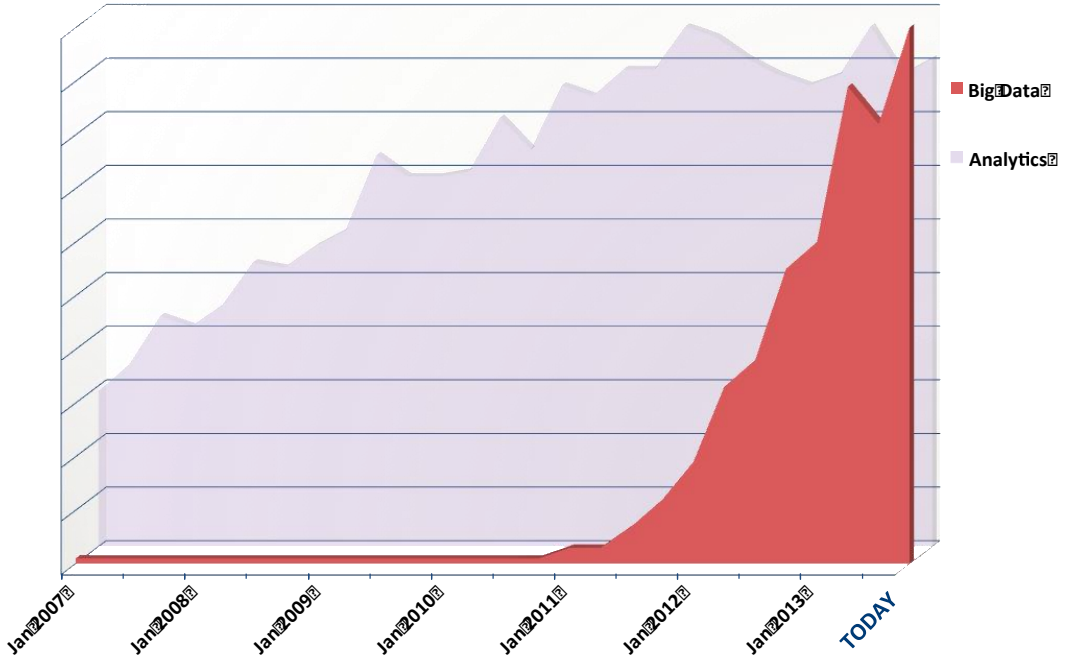




Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

GOOGLE TRENDS

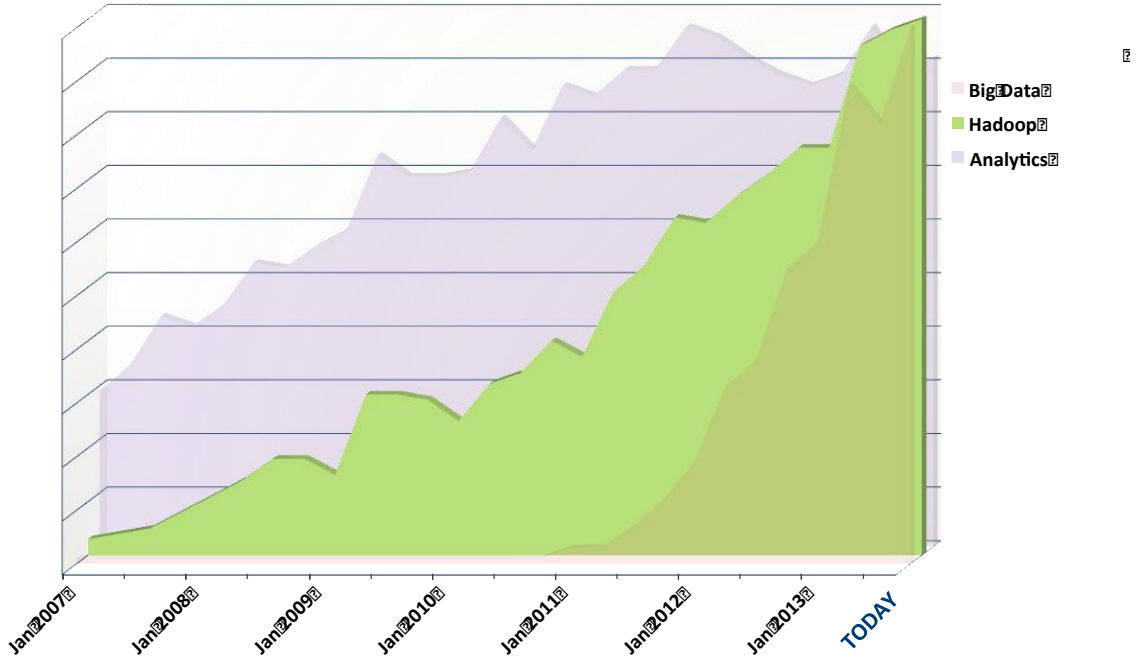
“BIG DATA”



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

GOOGLE TRENDS

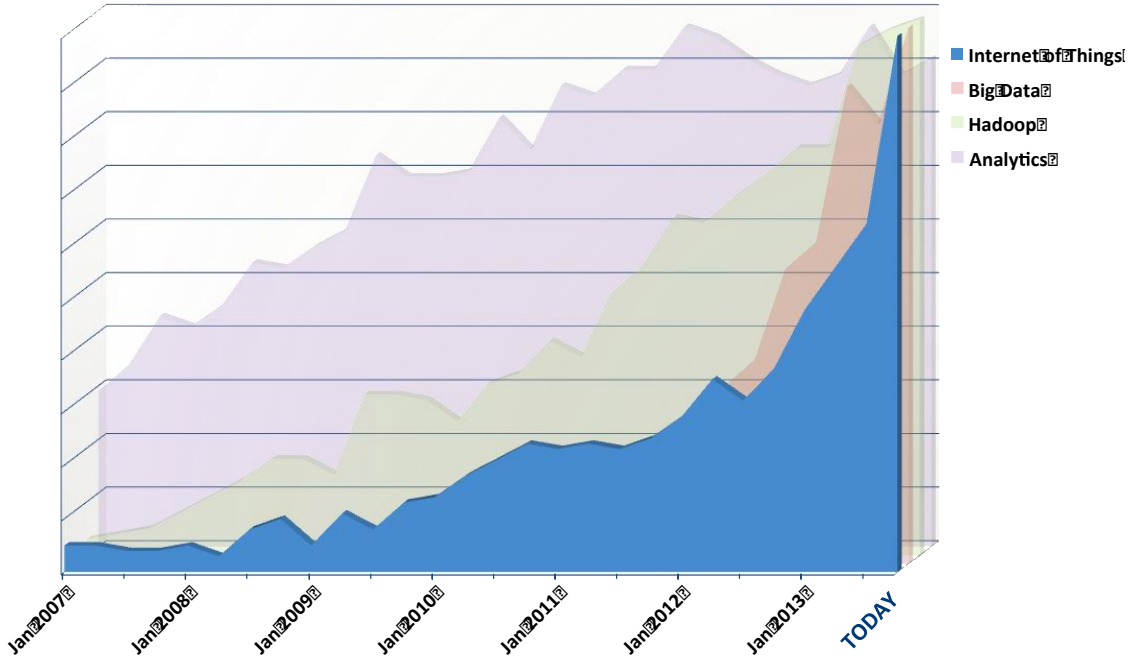
“HADOOP”



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

GOOGLE TRENDS

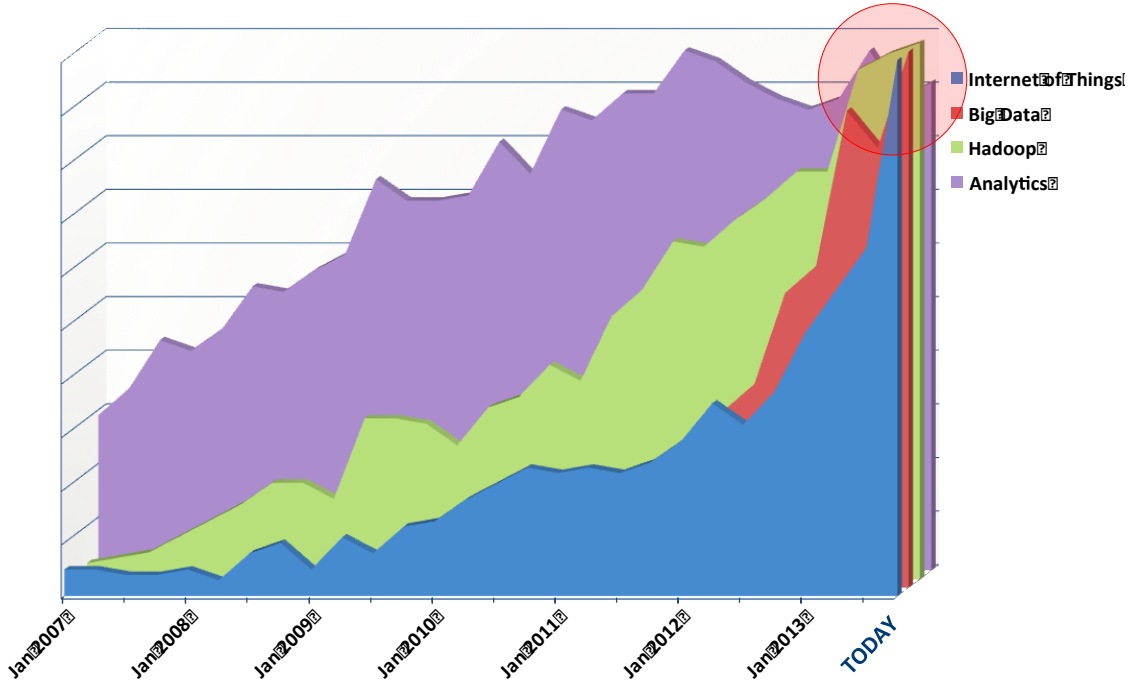
“INTERNET OF THINGS”



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

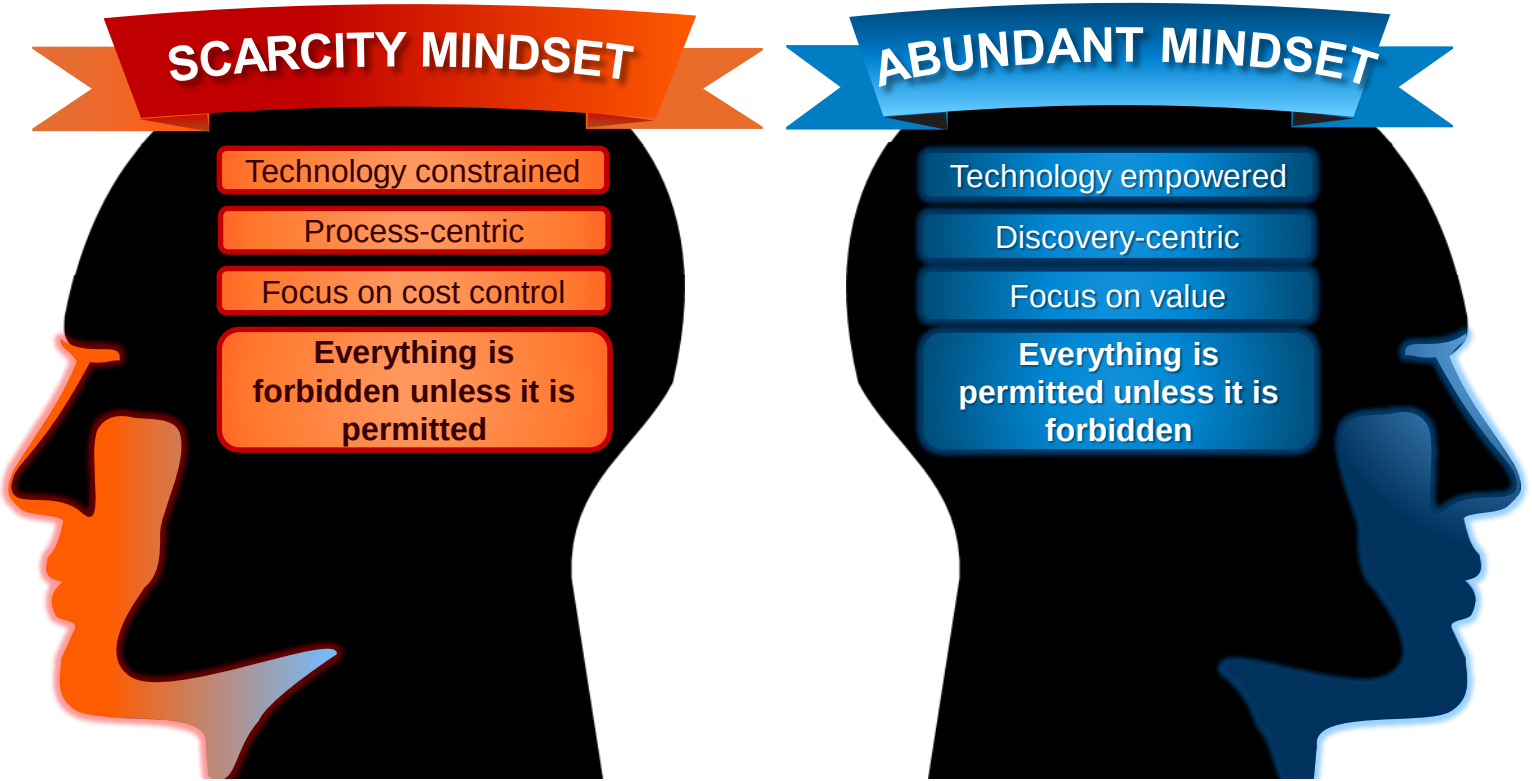
GOOGLE TRENDS

THE ERA OF ABUNDANCE



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

THE ERA OF ABUNDANCE … EVOLVING MINDSETS



Copyright © 2012, SAS Institute Inc. All rights reserved.

AN ELEPHANT…

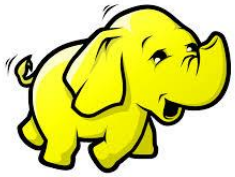
1. Never forgets.

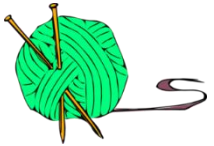
2. Is a Social Animal (teamwork)

Doug Cutting, Created Hadoop

Copyright © 2012, SAS Institute Inc. All rights reserved.

HADOOP FUNDAMENTALS





Yarn

Distributed Computation.

Distributed Storage.

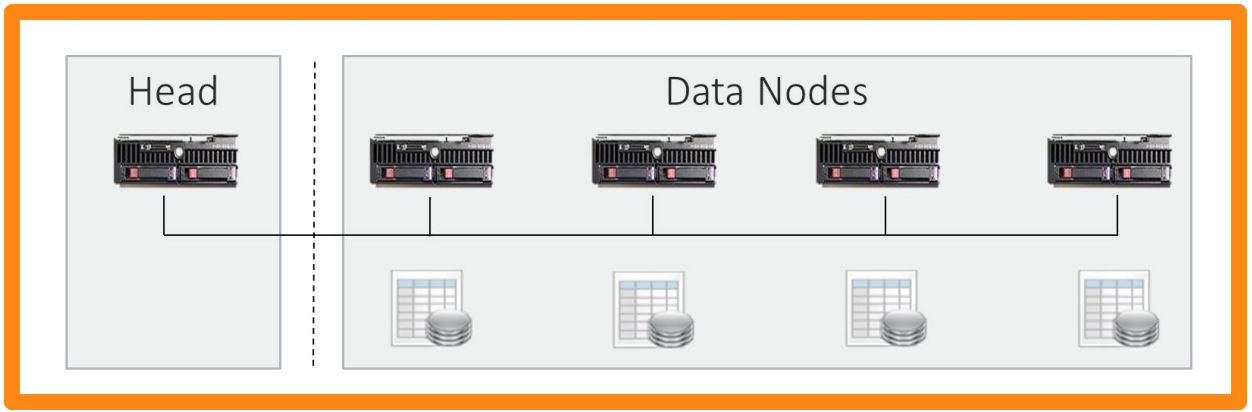
MapReduce

Distributed Data Processing

HDFS

Distributed, Redundant, Reliable Storage

ZooKeeper



Pig

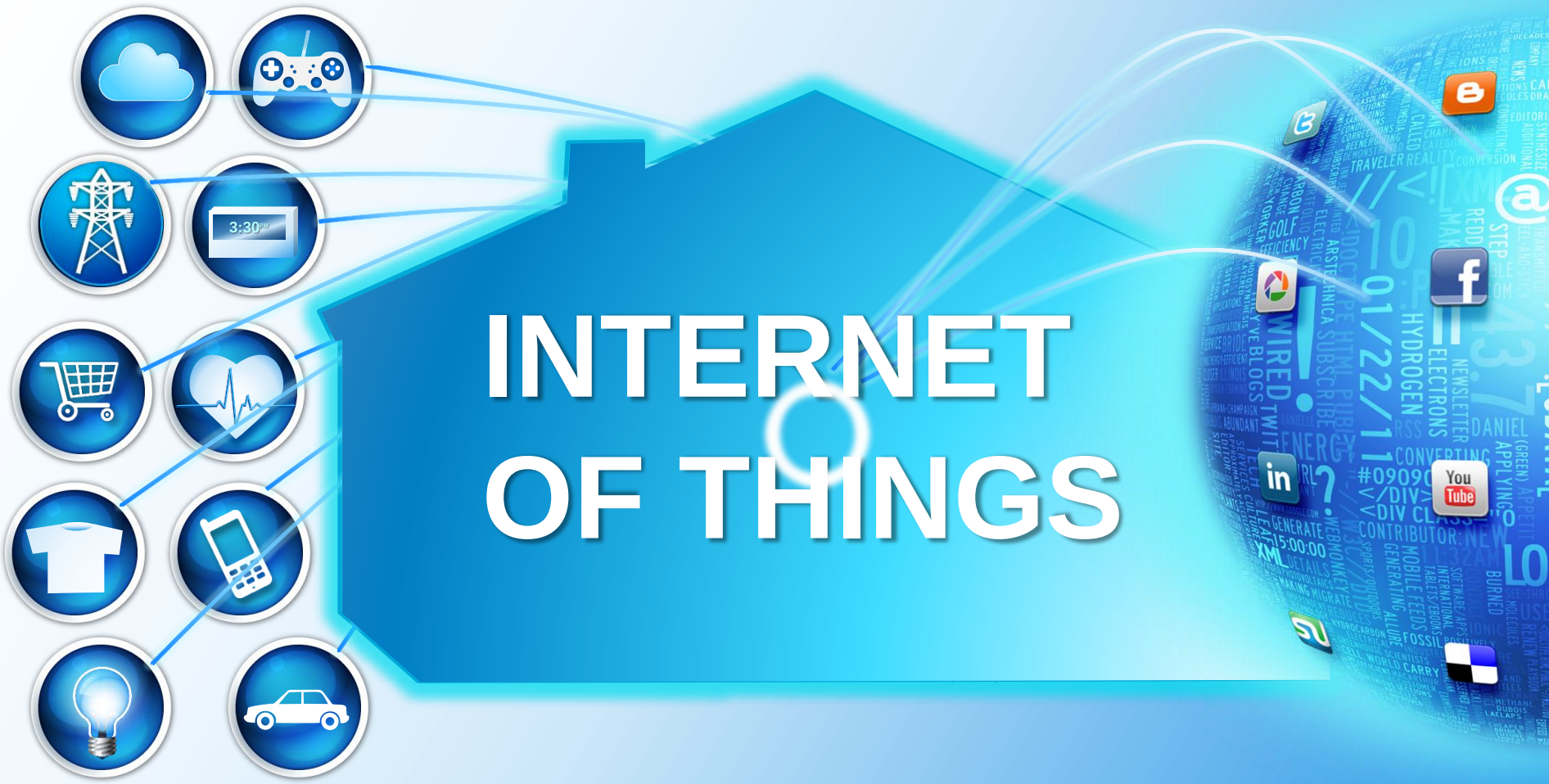
Copyright © 2012, SAS Institute Inc. All rights reserved.

Who is the youngest person in the room?

- Two ways to get the answer:

1. Ask one person at a time (sequentially)
2. Work as a team and share the work (distributed)

Copyright © 2012, SAS Institute Inc. All rights reserved.



Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

LOYALTY CARDS …

Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

INTERNET OF THINGS

AUTOMOBILES

- Over 700,000 accident free miles
- > 90% of all accident Human Error

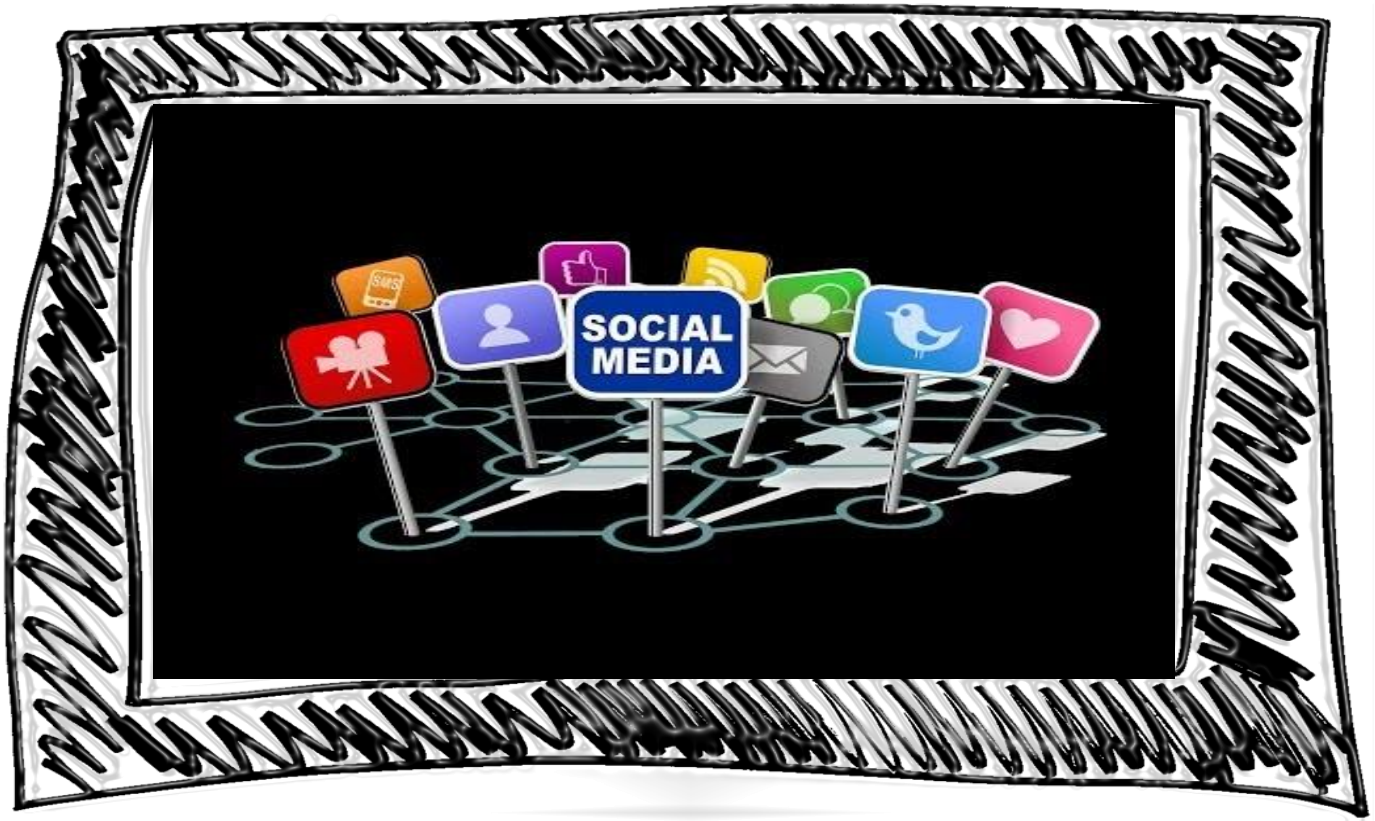
Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

The Internet of Things (IoT)

- The total economic value-add from IoT across industries will reach $1.9 trillion worldwide in 2020 (Gartner).
- Fifty billion devices will be connected to the Internet by 2020 (Cisco)
- Wide deployment of IoT technologies in the auto industry could save $100 billion annually in accident reductions

Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

SOCIAL MEDIA IS DRIVING BIG DATA TO NEW LIMITS



https://www.youtube.com/watch?feature=player_embedded&v=1pahLo5TTy4

Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

sas THE POWER TO KNOW.

SOCIAL MEDIA | INTERESTING FACTS

- Years to reach 50 Million users
  - Radio – 38 years
  - TV – 13 years
  - Internet – 4 years
  - iPod – 3 years
  - Facebook – 9 months to reach 100M
- Facebook would be the 4th largest country
- 55 – 65 years old fastest growing segment on Facebook
- YouTube 2nd largest search engine
- Social Media is not a fad … fundamental shift in how we communicate

Company Confidential - For Internal Use Only
Copyright © 2013, SAS Institute Inc. All rights reserved.

HOW

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

BIG DATA | DATA HOARDER

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

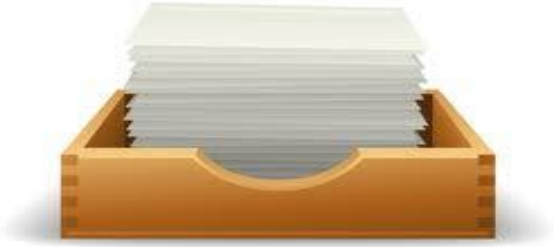
HOW DO WE MANAGE DATA IN THE PHYSICAL WORLD?

1. Receive

2. Analyze

3. Prioritize, Act and Store

Trash



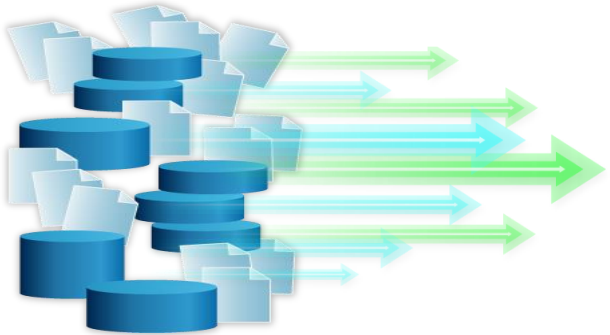
Cache

Storage

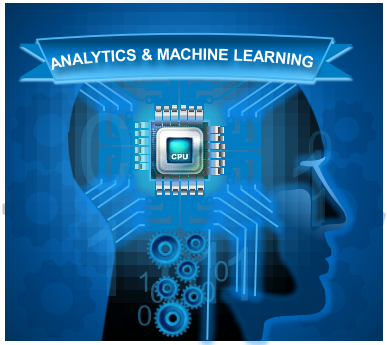
Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

HOW TO MANAGE DATA IN THE DIGITAL WORLD?

1. Stream It ”Data Management”

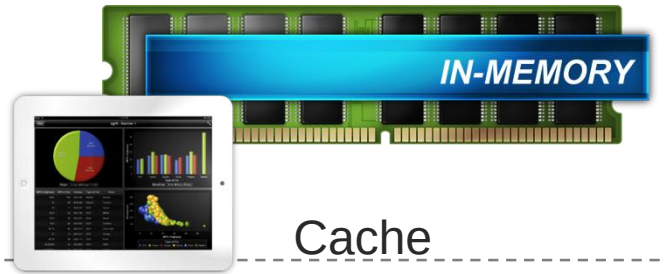


2. Score It “Analytics”



3. Prioritize, Act and Store

Trash



Cache

Storage

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

BIG DATA | THE IMPORTANCE OF ANALYTICS

https://www.youtube.com/watch?feature=player_embedded&v=WNlCBy07z08

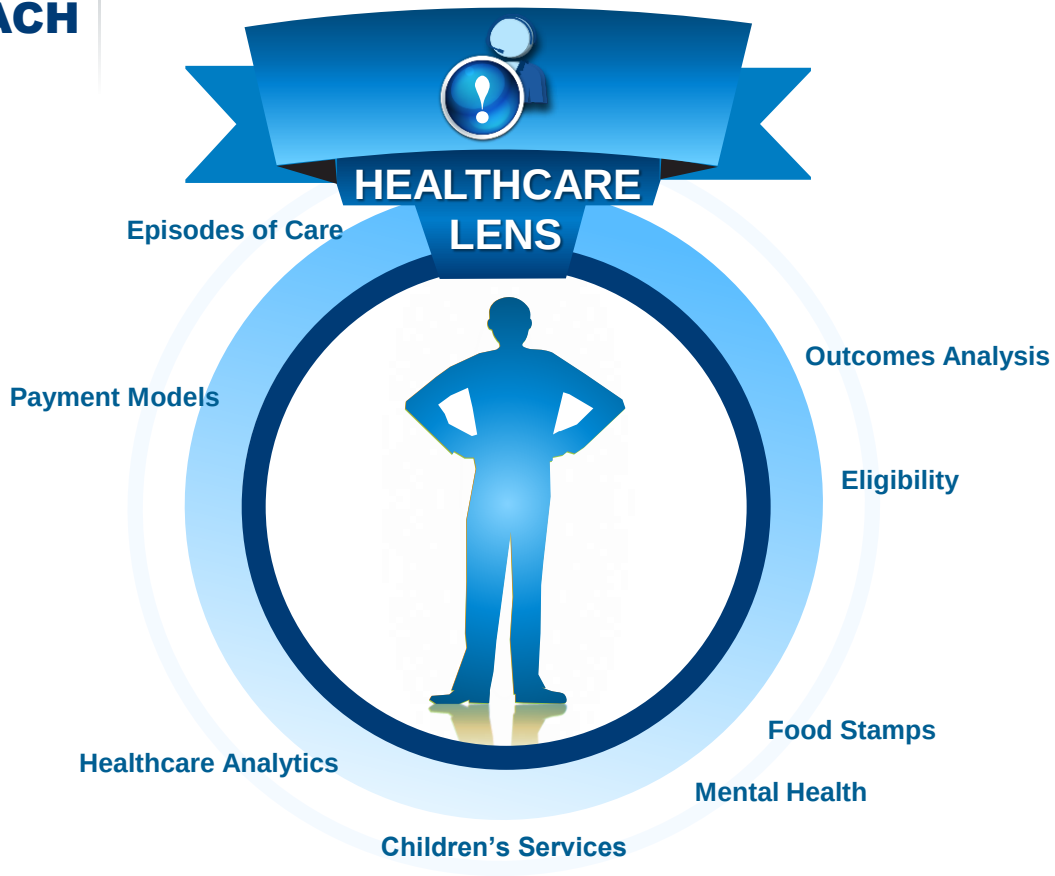
Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

ANALYTICS | INTERESTING FACTS

- A new way of thinking
- Look beyond traditional metrics
- Out of the box thinking, be creative
- Look for new knowledge, uncover inefficiencies
- Find Value & Innovate out of necessity

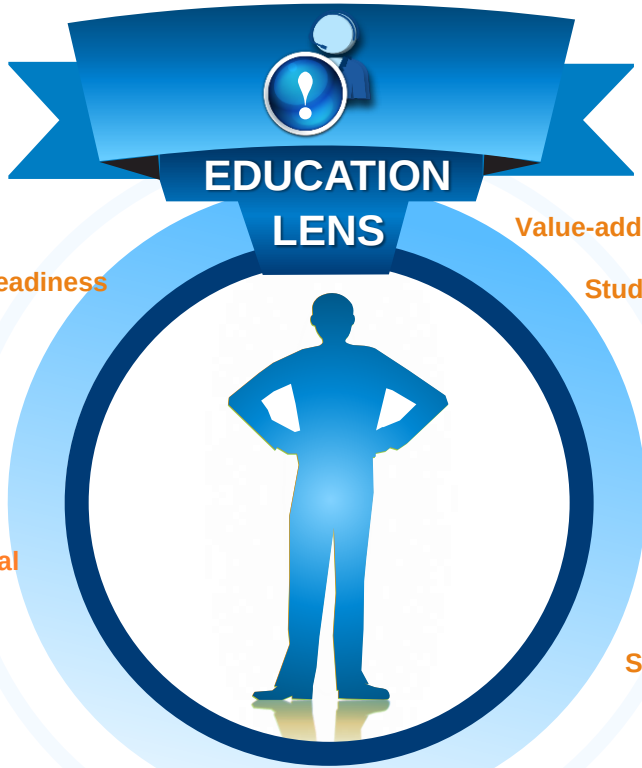
Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

THE SCARCE APPROACH



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

THE SCARCE APPROACH



Value-added Measures

College Readiness

Student Growth

Student Projections

Earning Potential

School Performance

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

THE SCARCE APPROACH

Intelligent Policing

Risk Assessment

Community Corrections

Recidivism

Prison Population

Criminal History

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

THE ABUNDANT APPROACH

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

WHERE

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

LOS ANGELES COUNTY DSS

BUSINESS ISSUES

- Needed to uncover systemic fraud in delivery of social services to economically disadvantaged citizens.

EXPECTED RESULTS

- Investigators can spot more cases of fraud sooner, resulting in fewer losses, lower investigative costs and greater public confidence.
- Total cost avoidance projected from the pilot results is expected to exceed $6.8 million.

US STATE AND LOCAL GOVERNMENT

"The system analyzes social networks to determine if individuals are likely to commit fraud. Social network analysis also helps identify collusive fraud rings companion cases.

The bottom line: more than $6.8 million in savings."

Copyright © 2014, SAS Institute Inc. All rights reserved.

NEW YORK STATE DEPARTMENT OF HEALTH BUREAU OF NARCOTIC ENFORCEMENT (BNE)

BUSINESS ISSUES

- More effectively detect and investigate suspicious activities around narcotics prescriptions in the state.
- Lacked data driven decisioning for effective prescription drug monitoring, including:
  - **Prescribers.** Which prescribers have suspicious or unusual behavior patterns that warrant further investigation? What are common characteristics of prescribers who engage in inappropriate and/or unlawful prescribing patterns?
  - **Patients.** Which patients have suspicious or unusual prescription patterns that warrant further investigation or intervention?
  - **Dispensers.** Which dispensers (e.g., pharmacists) are not reporting filled prescriptions accurately and/or timely?

EXPECTED RESULTS

- Increase the value of its data by using it to reduce illegal use and abuse of prescription narcotics.
- Will be able to:
  - Use its limited resources more effectively and better focus its investigation efforts.
  - Empower non-analysts to benefit from the data that can aid in investigations.
  - Identify network individuals who are conducting illegal activity.

US STATE AND LOCAL GOVERNMENT

"The abuse of prescription medications has reached epidemic proportions and the costs to society are enormous."

Thomas DiNapoli
New York State Comptroller

Copyright © 2014, SAS Institute Inc. All rights reserved.

COMMONWEALTH OF KENTUCKY

BUSINESS ISSUES

- Leveraging federal funds with ever-tightening federal and state budgets.
- Kentucky sought to save taxpayer dollars by tackling fraud within its government programs.
- Take a more holistic approach to confronting fraud, thereby reducing improper payments and lessening the impact of fraud, waste and abuse.

EXPECTED RESULTS

- By approaching fraud, waste and abuse at an enterprise level, Kentucky is able to identify misspent funds that can be put back into state coffers.
- Key sponsors within Kentucky state government see this as an opportunity to use analytics more widely across all state government agencies

UNITED STATES STATE & LOCAL GOVERNMENT

"SAS Fraud Framework became a part of Kentucky's Health Benefits Exchange in late 2012. This success led to an enterprise license of the SAS Fraud Framework to the Commonwealth of Kentucky for use beyond the Cabinet for Health and Family Services. This was all made possible by Kentucky's early recognition of the value of addressing fraud, waste and abuse on an enterprise level rather than the typical, siloed approach."

Commonwealth of Kentucky

Customer Validation Slide – For One-to-One Customer Use Only

Copyright © 2013, SAS Institute Inc. All rights reserved.

sas THE POWER TO KNOW.

CITY OF MARKHAM

BUSINESS ISSUES

- Growing need for data integration and synchronization – over 60 different sources
- Desire for a consistent view of data across major business applications

RESULTS

- Standard platform that spans multiple data management areas
- Production time reduced by up to 40% for applications requiring data integration
- Development of standard templates and enforced data standards
- Ability to have a unified and consistent view of addresses across major applications

GOVERNMENT

"Having an accurate view of our organization, our customers and our business environment allows us to optimize profitability, mitigate risks and reduce costly operational inefficiencies."

Teodor Tecsa

Manager of Applications and GIS

Copyright © 2012, SAS Institute Inc. All rights reserved.

sas THE POWER TO KNOW.

CUSTOMER CASE STORY

"SAS is committed to ensuring that we continue to have a leading-edge anti-fraud solution. We are very pleased with the results."

Head of Group Fraud Risk, Global Security and Fraud Risk

CREDIT CARD COMPANIES

Business Issue

- Reduce incidence of fraud.
- Lower costs.
- Increase customer confidence.

Results/Benefits

- Achieved significantly lower incidence of fraud across tens of millions of debit and credit card accounts.

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

GOVERNMENT DATA ANALYTICS CENTER (GDAC)

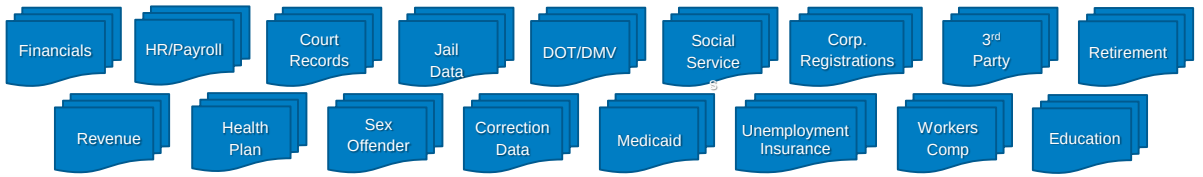
Government Data Analytics Center (GDAC)

The GDAC is an enterprise program to promote the use of North Carolina's **data as an asset** to support business decisions. The GDAC fosters interagency **collaboration** among and between the branches of governments and their sub-units to establish statewide business intelligence (BI) **standards**, to **improve data sharing, quality and consistency** and facilitate the identification, development and support of BI solutions for the State.

Government Data Analytics Center (GDAC)

- Compliance, Waste, and Abuse
- Performance and Outcome Monitoring
- Improved Citizen Experience & Relationship
- Manage Once, Use Many!!!
  - Governance
  - Quality
  - Share & Collaborate

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.



Government Analytics Center of Excellence

Extract, Transform and Load

Data Governance

- Identity Mgt. and Authorization
- Data/System Monitoring
- Business Intelligence
- Policy and Procedure
- Data Standards
- Data Mgmt. and Admin
- Security

Security and Auditing

Governance

- 3rd Party Data
- DOT/DMV
- HR/Payroll
- Education
- Healthcare
- Unemployment Insurance
- Medicaid
- Revenue
- Death Master File
- Criminal Justice
- Financials
- Wage and Labor
- Social Services

Fraud and Compliance Analysis and Alerts

- Unemployment Insurance Fraud
- Workers Comp Compliance
- Social Services Eligibility
- Medicaid Program Integrity
- Revenue Collections

Reporting and Analysis

- Health Plan Metrics
- Healthcare Outcomes
- Budget / Accounting Reports
- Revenue Analysis
- Medicaid / Social Service Analysis
- Retirement Plan Analysis

Criminal Justice

- Criminal Offender Search/Watch
- Criminal Incident Mapping
- Criminal Incident Analysis
- Recidivism/Prison Population Analysis

Education

- EVAAS
- Longitudinal Data Analysis

…

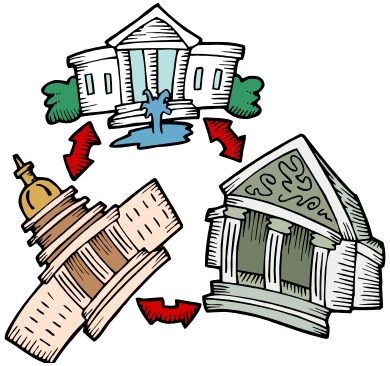
- Future Solution
- Future Solution
- Future Solution

INFORMATION DELIVERY PORTAL

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

sas THE POWER TO KNOW.

CJLEADS | CRIMINAL JUSTICE & PUBLIC SAFETY



- Over **50M records** and 14M unique offenders
- **25+ disparate data sources**
- **Over 548 Local, State & Federal Agencies**
  - Department of Homeland Security – ICE
  - US Postal Service – Inspector General
  - US Forest Service
  - US Department of Agriculture – Office of the Inspector General
  - USDOJ
- **Support for ~30,000** court, correction and law enforcement professionals
- **Over 11,300 users** access CJLEADS weekly
- In the last 12 months, criminal justice professionals have **run over 18.2 million searches** and accessed 15.2 million offender and DMV records

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

Offender Summary Screen

Offender info for: JOHN JULIAN PORTER

JOHN JULIAN PORTER AWC OFA SOR GNG CHP

Lookup | Report | Watch | Merge

SSN: XXX-XX-1111 | FBI ID: 122233JB1 | SID: NC9988776A | Age: 34 | DOC ID: 0327401 | DL: NC-16400000

Summary | Images | Timeline | Court Records | Outstanding | Jail | Prison | DV | ComCorr | SOR | Gangs | Marks | Watchers

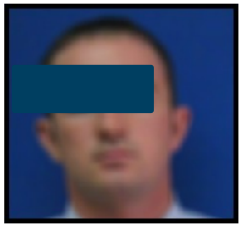
JOHN JULIAN PORTER AWC OFA SOR GNG CHP

Address (03/01/2011): 801 N OAK STREET, DURHAM, NC 27707

Birth Date:	01/01/1976	FBI ID:	122233JB1
Age:	34	SID:	NC9988776A
Race:	WHITE	SSN:	XXX-XX-1111
Gender:	MALE	DL:	NC-16400000
Height:	5'7"	DOC ID:	0327401
Weight:	219		
Eyes:	BROWN	SRN ID:	34567S1
Hair:	BLACK	Occupation:	

More...

Most Recent Update: 03/01/2011



DOC 03/30/2009

Outstanding Processes
- Unserved Processes - 0
- Felony - 0
- Misdemeanor - 0
- Infraction - 0
- Traffic - 2

NC Court Records
- Pending - 2
- Disposed - 64

Jail
- Current - No
- Previous - Yes
- Escaped - No

Prison
- Current - Yes
- Previous - Yes
- Escaped - No

Community Corrections
- Current - No
- Previous - Yes
- Absconded - No

Sex Offender Registry
- Pending Registration - No
- Active Registration - Yes
- Prior Registration - Yes
- Registration Type - AGGRAVATED OFFENDER
- Registration Contact Agency - Wake

Marks / Scars
- Yes

Gang Affiliations
- Yes

Domestic Violence
- Case(s) - 3

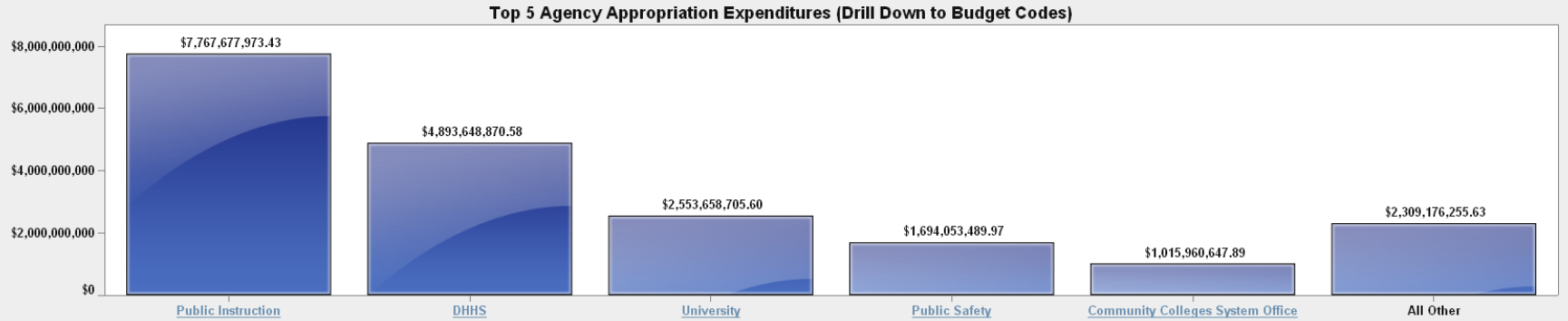
Copyright © 2012, SAS Institute Inc. All rights reserved.

VISUAL ANALYTICS | CAFRS & APPROPRIATED EXPENDITURES

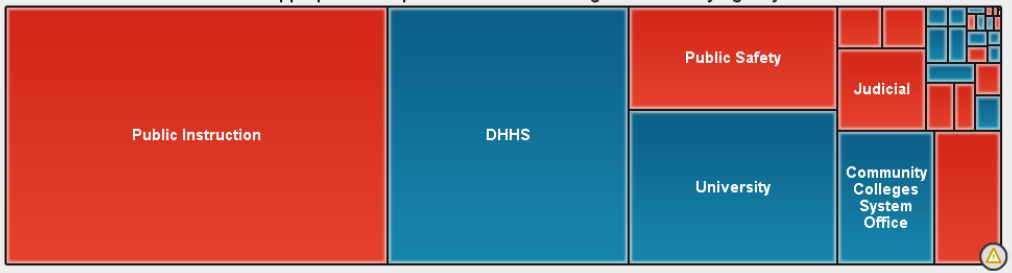
File Help Sign Out

Monthly Data Totals | Top Agency Expenditures | Fund Balances 10 Yrs | Statement of Revenues, Expenditures and Changes in Fund Balance | Section 1

2014 (1,420)



2014 Appropriation Expenditures and % Change from 2013 by Agency

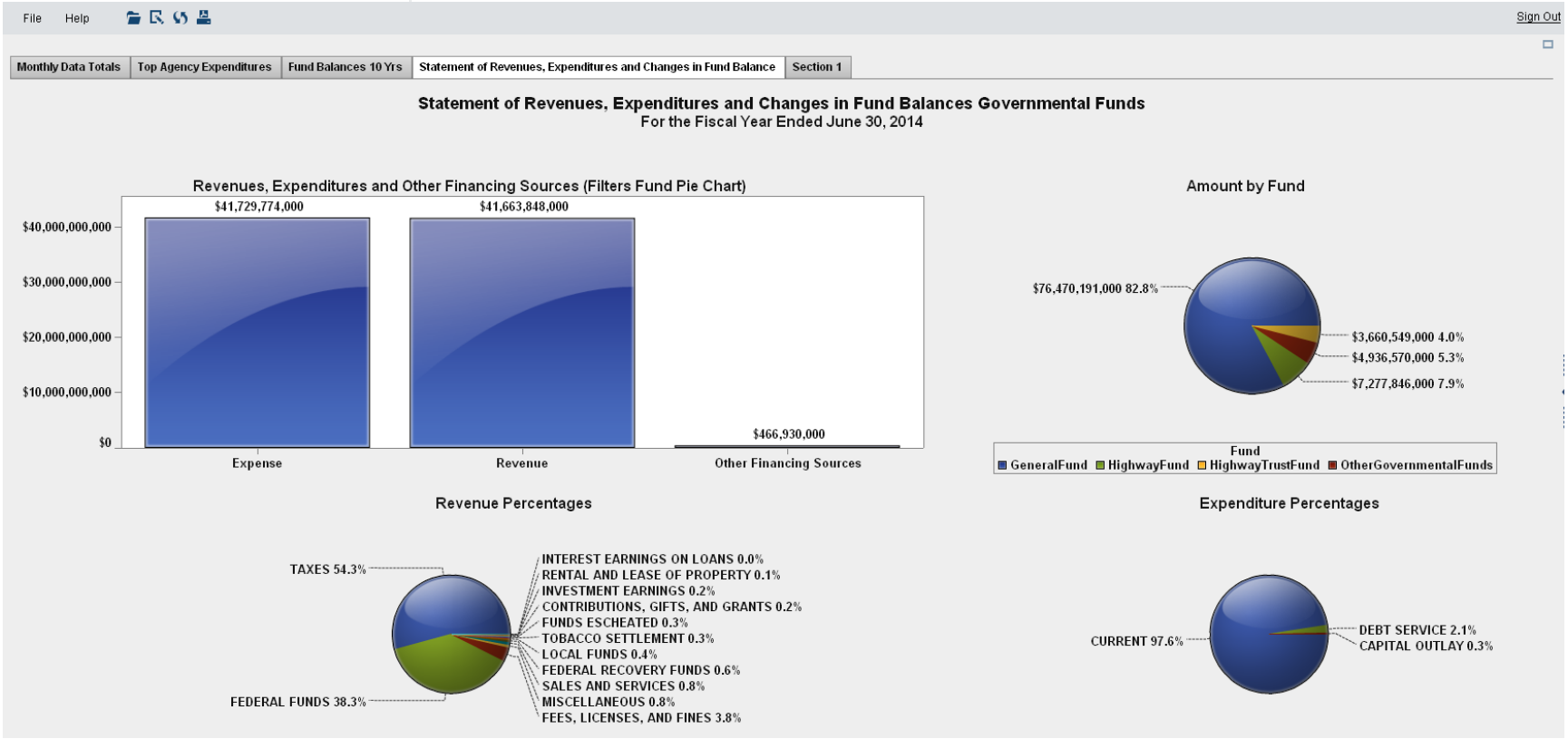


Amount Over(Under) Budget by Budget Code

BudgetCodeTitle	Budget Value	YTD Actual	Amount Over (Under) Budget
Administration	$70,118,896.00	$65,691,828....	($4,427,067.40)
Aging	$44,137,843.00	$41,058,227....	($3,079,615.81)
Agriculture and Consumer Services	$115,629,586.00	$109,261,47...	($6,368,109.77)
Appalachian State University	$129,165,653.00	$127,551,88...	($1,613,767.91)
Board of Elections	$6,327,894.00	$5,321,361.74	($1,006,532.26)
Child Development	$250,008,667.00	$244,119,92...	($5,888,741.47)
Commerce	$52,297,240.00	$49,868,369....	($2,428,870.32)

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

VISUAL ANALYTICS | CAFRS & APPROPRIATED EXPENDITURES



Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

CONCLUSION | Food for Thought

- Are you operating with a mindset of scarcity?
  - Do you have **better, faster, and more creative** ways to use your existing data?
  - Can you capture new data and **find value** from them?
- Modernize your analytics infrastructure to participate in the Era of Abundance
  - Look for existing problems to tackle – but with more data
  - Establish an Analytics Center of Excellence
- Business and IT **partnership** is critical to success

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

ANY QUESTIONS???

Company Confidential - For Internal Use Only
Copyright © 2012, SAS Institute Inc. All rights reserved.

ELECTRONIC CRIMES INC: THE MOST PERVASIVE CRIME PROBLEM OF THIS MILLENNIUM

Chris Swecker
Attorney at Law
chris.swecker@sweckerlaw.com

THE CYBER ENVIRONMENT
"IT'S A BAD NEW WORLD"

Sony CEO

SCOPE OF FRAUD LOSSES: OVER $620 BILLION INDUSTRY

Fraud Type	Annual Losses in Billions
Health Care Fraud (NHCAFA and CBO)	80 Billion
Insurance Fraud (NICB)	40 Billion
Mortgage Fraud (FBI/MBA)	40 Billion
Identity Theft (Javelin)	21 Billion
Stimulus Grant Fraud (RAT Board)	40 Billion
Payments Fraud (Lexis Nexus)	200 Billion
Trade Fraud (Zdanowiczj)	200 Billion

3

THE PERFECT CYBER STORM

- Hacktivists- Capable and Issue Driven;
- Criminals- Professional Criminals Operate in Virtual Criminal Networks. May Be for Hire;
- Cyber Terrorism
- Government Hackers- Most Skilled, Unlimited Resources, Creative and Highly Motivated.
- Cyber Extortionists (Cryptolocker)

WHO ARE THOSE GUYS?

5

STEP ASIDE US MAFIA, THE RUSSIANS ARE COMING: A NEW CRIME PARADIGM

6

OUTDATED ORGANIZED CRIME BRICKS AND MORTAR MODEL

- Extortion
- Drugs
- Bribery
- Gambling
- Loan Shark Operations
- Cargo Theft
- Labor Racketeering
- Protection Payments
- Pump and Dump
- Hijacking
- Bid Rigging/Contract Fraud

7

DRUG CARTELS - PROFITABLE ENTERPRISE BUT VIOLENT AND RISKY

U.S. government estimates suggest that Mexican and Colombian drug trafficking organizations earn between $18 billion and $39 billion annually from sales in the United States.

The life of a drug kingpin is “nasty, brutish an

8

CATALYST FOR A NEW CRIME PARADIGM: NOVEMBER 1989

Russian Mob, and KGB Run The Black Market

The "Krysha Model" Integrates Criminal and Legal Economies

The Wall Comes Down

9

EURASIAN CRIME IN THE USA

Strongholds

- Brighton Beach, NY
- Glendale, CA
- Miami, Fla.
- Chicago, Ill
- San Francisco CA
- Philadelphia, PA.
- Newark, NJ

Focus

- Health Care Fraud
- Insurance Fraud
- Internet Fraud
- Credit Card Fraud
- ATM Skimming
- Internet Fraud Schemes
- Corporate Account Takeover

10

FINANCIAL CRIMES "CRIMINOGENIC" ENVIRONMENT

- Financial Crimes Networks Increase In Number and Sophistication and Continually Innovate to Cause Huge Dollar Losses and Risk to Reputation/Brand
- The Bad Guys Enjoy a Significant Advantage By Exploiting Persistent Silos Across all Industries and Government Benefit Programs
- Good Guys Are Being Out-networked
- To Slow and Reverse Down the Massive Losses We Must Change Our Strategies

11

TOP SIX BENEFIT PROGRAMS

- SSI
- SNAP
- WIC
- Unemployment Insurance
- MEDICAID
- Medicare

- In 2009, 19.0 percent of U.S. families, on average, participated in at least one major means-tested program per month.

12

HEALTH CARE FRAUD: OVER $1.1 BILLION IN FOUR CASES

LAW ENFORCEMENT TOO FAR FROM THE ACTION

$163 Million

October 2010
73 Indicted

$200 million

February 2011
91 indicted

$295 million

September 2011
20 Indicted

$430 million

October 2012
91 Indicted

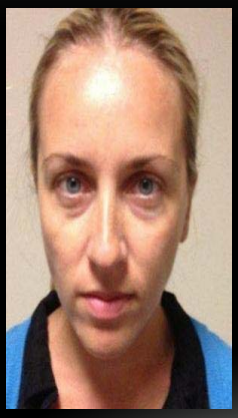
13

ARMEN KAZARIAN: TOP THIEF IN LAW

- Top level "Vor," or "Thief-in-Law" referring to a select group of high-level criminals from Russia and the countries that had been part of the former Soviet Union, including Armenia
- In July 2011 sentenced in Manhattan federal court to 37 months in prison for his involvement with the Mirzoyan-Terdjanian Organization
- Set up 118 imaginary health clinics to rack up more than $100 million in billings for patients and procedures that never existed
- Used postal addresses in 25 states, using the stolen identities of real doctors. Then they used stolen patient data from Orange Regional Medical Center in Middletown

14

MEDICAID MILLIONAIRES

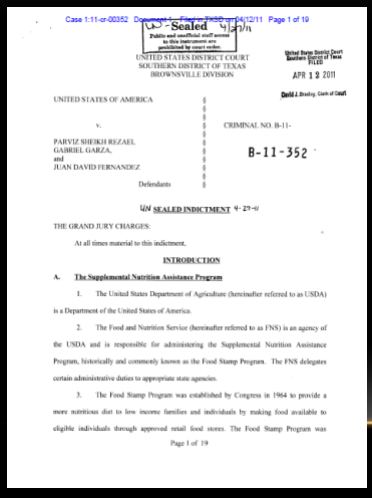


- Oceana complex in Brighton Beach boasts seaside condos, marble lobbies, indoor and outdoor swimming pools — and six residents busted for Medicaid fraud.
- Kristina Zelinsky, 34, became the sixth resident since 2011 charged with Medicaid fraud in what prosecutors say is a growing trend. Zelinsky was indicted for allegedly scamming more than $25,000 from the taxpayer-funded health care system designed to help the needy. Prosecutors say that during the decade she claimed to be destitute, she got an $850,000 mortgage for an Oceana condo, owned three cars

  Read more:
  http://www.myfoxny.com/story/23199865/resident-of-luxury-brooklyn-condo-indicted-for-medicaid-fraud#ixzz2jWoGDTrz

15

"YOU GOTTA PLAY THE GAME, PLAY THE SYSTEM"



Case 1:11-cr-00352 Document 1 Filed in TXSD on 04/12/11 Page 1 of 19

Sealed

Public and unofficial staff access to this instrument are prohibited by court order.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
BROWNSVILLE DIVISION

United States District Court
Southern District of Texas
FILED
APR 12 2011
David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

PARVIZ SHEIKH REZAEI,
GABRIEL GARZA,
and
JUAN DAVID FERNANDEZ

Defendants

CRIMINAL NO. B-11-

B-11-352

UNSEALED INDICTMENT

THE GRAND JURY CHARGES:

At all times material to this indictment,

INTRODUCTION

A. The Supplemental Nutrition Assistance Program

1. The United States Department of Agriculture (hereinafter referred to as USDA) is a Department of the United States of America.

2. The Food and Nutrition Service (hereinafter referred to as FNS) is an agency of the USDA and is responsible for administering the Supplemental Nutrition Assistance Program, historically and commonly known as the Food Stamp Program. The FNS delegates certain administrative duties to appropriate state agencies.

3. The Food Stamp Program was established by Congress in 1964 to provide a more nutritious diet to low income families and individuals by making food available to eligible individuals through approved retail food stores. The Food Stamp Program was

Page 1 of 19

- 3.8 million dollar loss
- Multiple defendants and storefronts
- 4 Year Long Scheme
- Food stamp fraud
- Wire fraud
- Money laundering
- Money structuring
- Unlicensed money transaction business

16

THE FOOD-STAMP CRIME WAVE

THE NUMBER OF FOOD-STAMP RECIPIENTS HAS SOARED TO 44 MILLION FROM 26 MILLION IN 2007.

- The USDA's Food and Nutrition Service now has only 40 inspectors to oversee almost 200,000 merchants that accept food stamps nationwide.
- Wisconsin: nearly 2,000 recipients claimed they lost their card six or more times in 2010 and requested replacements."
- Wichita, Kansas : 13 people indicted in food stamp fraud case March 2011 ($360,000)
- Phoenix, Arizona: 18 Indicted in Food Stamp Fraud Investigation July 2011 ($700,000
- $8 million food stamp fraud mastermind pleads guilty to scam in New York City (City Human Resources Administration).

17

DATA COMPROMISE

The Most Pervasive Crime Problem of this Millenium

"CYBERCRIMINALS DON'T STRIKE IN ONE PLACE AND THEY DON'T WORK ALONE." DEE RADCLIFFE EC MAG

- Gonzalez and his accomplices
  - Communicated over carder forums
  - Their network spanned from San Diego to Estonia
  - Hacked into wireless point-of-sale (POS) and store networks by war-driving from parking lots. In the case involving Heartland, the suspects used SQL injection attacks
  - Two Russian co-conspirators hacked into corporate computer networks and secretly placed "malware," or malicious software, that allowed them backdoor access to the networks later to steal data
  - Indicted by U.S. DOJ with stealing more than 130M account numbers from card processor Heartland Payment Systems, 7-Eleven, others

GLOBAL BUSINESS ENVIRONMENT

- IP is Core Business Asset;
- PII stored in IT system or utilized for payments;
- Few CISO Positions, IT Securty is an Ancillary Duty;
- Open Work Environment;
- Global Footprint With Multiple Sites in High Risk Areas;
- Corporate Executives Not Sufficiently Aware of Full Scope of Threats
- Reliance on Internet
- All Data and Data Bases Treated the Same

HOMELAND SECURITY CYBER PROJECT: GENERAL THREAT FINDINGS

- General Findings
  - Owners who outsource assume security is rolled into the service they are buying (it is not)
  - Largely, very little to no formal security policies or IT policies exist
  - No application of "defense in depth"
  - Lack of security trained personnel on-site
  - No active patch management performed
- Network Scan Results
  - All companies had some sort of nefarious activities, even ones with industrial grade enterprise security suites
  - **Most common threat appears to originate from Russian Business Network actors**
  - No APT detected over 4 week-long scans (Scanned 7 of 9 participants)
  - Most/all vulnerabilities could have been avoided through common security practices

SPECIFIC THREATS FOUND

Specifically, CTB analysts discovered the following vulnerabilities:

- About 20 percent of one CTB participant's network computers were observed communicating with questionable IPs within the "co.kr", "com.cn", "com.ru", and "co.cc" domains.
- Numerous servers across all participants appeared to be compromised with:
  - Domain Name Server (DNS) exploits
  - Directly connecting to known Russian Business Network (RBN) IP addresses
  - Connecting to questionable domains such as www.h-r-connect.co.cc, as well as other co.cc domains.
  - Observed backdoors, Trojans and rootkits on two Unix based servers
- DropBox, a cloud storage service which has many associated vulnerabilities, was being used extensively to store company related data for two of the nine CTB participants
- The number of patches missing ranged between 112 and 742
- As high as 40% of computers at one site were observed communicating with known RBN IPs
- BotNet related activity was noted on one-third of the computers one particular network\

MASS COMPROMISES

The Early Compromises

- TJMax/Heartland/Hannaford: over 200 million PII
- RSA : Spear-phishing attack: undisclosed number
- Epsilon: 2500 corporate customers, millions of email addresses
- Sony: over 77 million user accounts and Credit Card data
- RBS Worldpay: $9 million loss, 1.5 million PII
- Texas Comptroller's Office
- USAirways: PII of 3,000 pilots
- Michaels: POS skimmers

Recent Compromises

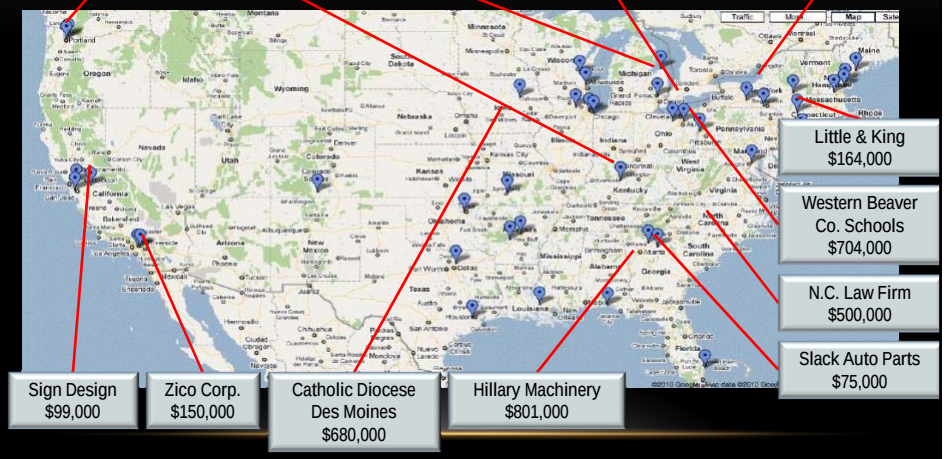
- Target
- Home Depot
- Chase
- Stratfor

RUSSIAN BUSINESS NETWORK

Per annual Verizon/U.S. Secret Service 2012 report
83% of compromised computer records were attributed to organized crime.
67% emanated from eastern Europe.

24

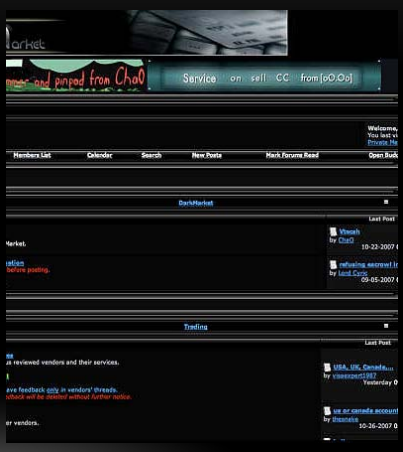
ACCOUNT TAKEOVER IMPACTS BUSINESSES AND PRESENT LEGAL CHALLENGES



- Source: www.krebsonsecurity.com, all dots total $40MM gross losses

2102 RAND STUDY OF DARK MARKETS

- The hacker market has in some respects become more profitable than the illegal drug trade. The data hackers steal ends up on a network of illegal trading sites where they buy and sell large amounts of personal data for profit.



MONEY MULES:

Indicators

- Student or temporary work Visas
- April to late September
- Mules open multiple bank accounts
- Mules share addresses
- Common accounts
- Frequent International money wires
- Personal accounts with high velocity transfers business account
- Eastern European Passports

Function Like "Smurfs"

27

OPERATION TRIDENT BREACH: THE CRITICAL ROLE OF "MONEY MULES"

28

OREGON DATA BREACH

- Names, birth dates, Social Security numbers, and other personally identifiable information belonging to about 850,000 job seekers in Oregon was exposed after hackers gained illegal access to a database containing the information at the State Employment Department. The names were part of the WorkSource Oregon Management Information System and pertained to individuals looking for jobs at state employment offices.

UTAH DEPARTMENT OF HEALTH

- The health information and PII of more than 780,000 Utah citizens were put at risk when Eastern European hackers broke into a server maintained by the Utah Department of Technology Services this spring by taking advantage of poor authentication configuration following database migration to a new server.
- *Lessons Learned:* Poor authentication controls, uneven patch management, and dicey configuration management add a inordinate amount of risk to the database protection equation.

NEW HAMPSHIRE DEPARTMENT OF CORRECTIONS

- In a case of the foxes running the hen house, the New Hampshire Department of Corrections found that inmates at a state correctional facility were able to access the main offender management database system. How so? That system was linked to a server that inmates working in the prison industries shops used. Access to the system would allow inmates to change items like parole dates and sentencing information, as well as view personally identifiable information on prison staff members.
- *Lessons Learned:* This case offers a stark example of why uber sensitive databases require special segmentation measures to keep them safe from side-channel attacks.

THE SOUTH CAROLINA DEPARTMENT OF REVENUE INTRUSION

Successfully Targeting the Crown Jewels of Personal Data

S.C. Exposure on Account Takeover

2011 FBI Stats	Account Takeover
400	Investigations
$85,000,000	Actual Losses
$212,000	Average Loss

2012 S.C.	Business Tax Return Breach
676,000	Stolen Records
1,000	Potential A.T. Victims
$212,000,000	Potential Losses
$30,000,000	Potential Litigation Expense

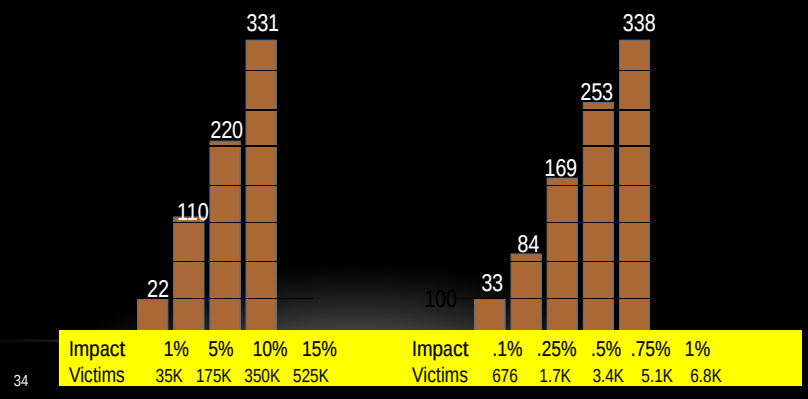
http://www.infosecisland.com/blogview/16536-FBI-Investigating-Over-400-Corporate-Account-Takeovers.html

3333

S.C. DOR Hack

Individual ID Theft
3.5MM Records
Avg. Clean Up = $631*

Bank Account Takeover
676,000 Records
Avg. Loss = $50,000**



34

* 2011 Javelin ID Fraud Survey, ** Use 25% of ACFE and FBI Average Reported Acct Takeover Fraud Loss of $200K

CORPORATE ESPIONAGE

Outdated Espionage Model

Espionage 2012

THREAT COUNTRIES – STATE-SPONSORED CYBER ESPIONAGE

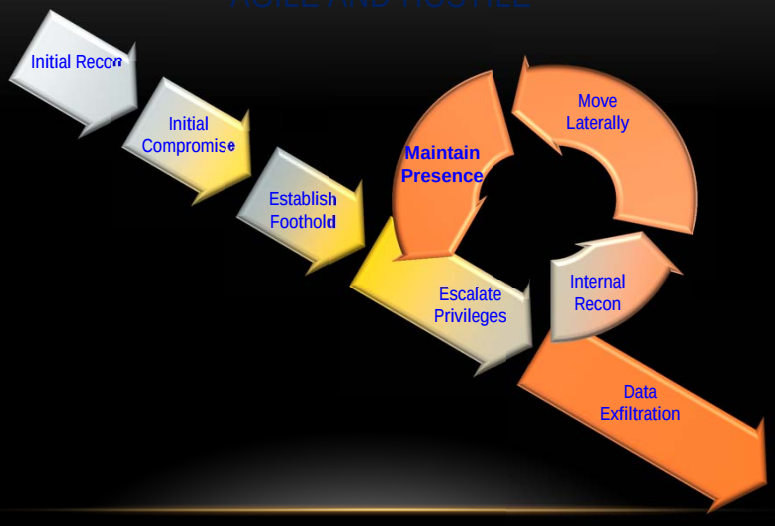
- China
- Russia
- Iran
- North Korea
- Israel
- India
- Pakistan

FBI WARNS OF CYBERATTACKS LINKED TO CHINA
THE FBI AND SECURITY COMPANIES HAVE OBSERVED 'RECENT INTRUSIONS'

BY JEREMY KIRK (TECHWORLD) PUBLISHED: 16 OCTOBER 2014

- "The FBI has recently observed online intrusions that we attribute to Chinese government affiliated actors," according to the FBI statement. "Private sector security firms have also identified similar intrusions and have released defensive information related to those intrusions."
- The U.S. government had continued to be vocal about cyberattacks and has directly called on China for greater cooperation. China has maintained it does not coordinate cyberattacks against U.S. companies and organizations and maintained it is a victim of such attacks as well.
- Security companies Cisco, FireEye, F-Secure, iSIGHT Partners, Microsoft, Tenable, ThreatConnect, ThreatTrack Security, Volexity, Novetta and Symantec said they conducted their first joint effort aimed at stopping hackers affiliated with "Operation Aurora," which struck 20 companies in 2009, including Google.

ANATOMY OF AN INTRUSION: AGILE AND HOSTILE



APT: WHAT ARE THEY AFTER?

OBJECTIVE	INFORMATION	EXAMPLES
Intelligence	Research & Development	China Sea Exploration Results
	Corporate Strategy	Senior Exec E-Mail
	Litigation Strategy	Law Firm Case Material
	Government Direction	Monetary policy
	Weapons Systems	F35 Lightning Fighter Jet
	Negotiation Positions	Merger/Acquisition Plans

WHAT SETS APT APART?

- They have thousands of custom versions of malicious code (malware) that circumvent common safeguards such as anti-virus
- They escalate the sophistication of their tools and techniques as a victim's capability to respond improves
- They maintain their presence within the victim network and, if lost, they repeatedly seek to regain that presence
- They target vulnerable people more often than they target vulnerable systems
- They specifically target victim firms — the intrusions are very different from commodity threats and other targeted attacks by organized crime syndicates

FACTS

- Of 44 Fortune 500 companies subjected to Threat Assessment Process (TAP) 43 Were Determined to Have Malicious Chinese Malware On Their System and Sensitive Data Exfiltrated;
- All Started With Email PDF, PPT, Excel or Word Attachments;
- CEO Specifically Targeted;
- Intruders Commonly target email for marketing and pricing materials;
- Will Also Target Accounting and Law Firms Especially During Merger and Acquisition Activity;
- SEC filings and Public records show Dow and DuPont were hit hard by Chinese;

41

STATE SPONSORED ECONOMIC ESPIONAGE

The three main Chinese government units that run intelligence operations are:

- The Ministry of State Security,
- The Military Intelligence Department of the People's Liberation Army and
- A small group known as the Liaison Office of the General Political Department of the Chinese army.

CHINESE AGRICULTURAL RESEARCHER CHARGED UNDER ECONOMIC ESPIONAGE ACT FOR TRADE SECRET THEFTS AT DOW AND CARGILLL

- On July 13, 2010, Kexue a/k/a "John" Huang, 48, a Chinese national who had been granted legal permanent resident status in the United States and a former resident of Carmel, Ind., was arrested in Westborough, MA and indicted on 17-counts in the Southern District of Indiana for misappropriating and transporting trade secrets to the People's Republic of China (PRC) while working as a research scientist at Dow AgroSciences LLC
- From January 2003 until February 2008, Huang was employed as a research scientist at Dow, where in 2005 he became a research leader in strain development related to unique, proprietary organic insecticides marketed worldwide.
- Huang admitted that while employed at Cargill, he stole a key component in the manufacture of a new food product, which he later disseminated to a student at Hunan Normal University in the PRC.
- The aggregate loss from Huang's criminal conduct allegedly exceeded $7 million but was less than $20 million

EXAMPLES

Recent Insider Thefts of Corporate Trade Secrets With a Link to China

David Yen Lee…chemist with Valspar Corporation…between late 2008 and early 2009 used access t internal computer network to download about 160 secret formulas for paints and coatings to his ow storage media…intended to take this proprietary information to a new job with Nippon Paint in Shanghai, China…arrested March 2009…pleaded guilty to one count of theft of trade secrets; sentenced in December 2010 to 15 months in prison.

Meng Hong…DuPont Corporation research chemist...in mid-2009 downloaded proprietary information on organic light-emitting diodes (OLED) to personal e-mail account and thumb drive…intended to transfer this information to Peking University, where he had accepted a faculty position; sought Chinese Government funding to commercialize OLED research…arrested October 2009…pleaded guilty to one count of theft of trade secrets; sentenced in October 2010 to 14 months in prison.

Yu Xiang Dong (aka Mike Yu)…product engineer wjth Ford Motor Company who in December 2006 accepted a job at Ford's China branch…copied approximately 4,000 Ford documents onto an external hard drive to help obtain a job with a Chinese automotive company…arrested in October 2009…pleaded guilty to two counts of theft of trade secrets; sentenced in April 2011 to 70 months in prison.

PROGRAM “863”

- “In stealing, transferring and using the trade secrets, Kexue Huang, a/k/a ‘John,’ intended to benefit Hunan Normal University, the national Natural Science Foundation and the 863 Program. Each of these entities is a foreign instrumentality of the People’s Republic of China,” the Huang plea agreement said.
- Program 863 is known as the “National High Technology Research and Development Program of China,” according to the indictment.

45

CHINESE THREAT: SPEARPHISHING

- Chinese intelligence and military units, and affiliated private hacker groups, actively engage in "target development" for spear-phish attacks by combing the Internet for details about commercial employees' job descriptions, networks of associates, and even the way they sign their emails,
- Spear-phish attacks are "the dominant attack vector.
- Remote Access Trojans (RAT) are often used with Poison Ivy Variation.

46

MORE CHINA FACTS

- An estimated 1.6 billion attacks are launched from China each month, with some successful efforts breaching the computer systems of the Pentagon and those of the French, German and British governments.
- In 2009, investigators discovered that Ghostnet, the largest-ever network of cyber attacks, could be traced back to China. The operation's command and control gained real-time control over 1,200 computers belonging to foreign embassies, international organizations and media groups in more than 100 countries according to experts,
- The biggest threat posed by attacks traced to China is the loss of industrial secrets.

MITIGATIONS

Compromise And Fraud Is Not Inevitable

"COMPUTER MATCHING"

- The Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100-503), as amended, revised the Privacy Act to add procedural requirements that agencies must follow when matching certain electronic databases.
- The requirements include formal matching agreements between agencies, notice in the Federal Register of the agreement before matching may occur, and review of the agreements by Data Integrity Boards at both agencies.
- The Act provides an exemption for law enforcement from these administrative requirements, the exemption applies only when a specific target of an investigation has been identified.
- In 2010, the *Patient Protection and Affordable Care Act* amended the CMPPA to exempt matches performed by the U.S. Department of Health and Human Services or its Inspector General related to potential fraud, waste, or abuse.
- Inspector Generals are seeking an IG exemption.
- GAO exempt so it is free to conduct studies and expose missed matching opportunities.

49

SSA MATCHING PROJECTS

- SSA saved $580 million per year from OASDI prisoner suspensions by matching prisoner data from corrections facilities monthly against the Agency's OASDI and Supplemental Security Income (SSI) records, halting benefit payments to prisoners.
- For FY 2011, the Agency expects to save $100 million, and by 2013, SSA projects approximately $900 million in lifetime program savings for each year the Agency uses Automated Access to Financial Information (AFI) to match unreported assets or absence from the US for over 30 days.
- *Individuals Receiving Benefits Under More than One Social Security Number at Different Addresses*
- *SSI Recipients with Unreported Real Property*
- *OASDI Benefits Affected by State or Local Government Pension*
- *SSI Recipients Who Alleged Being Separated or Divorced*
- *Follow-up: Survivors' Benefits Paid in Instances When SSA Removed the Death Entry from a Primary Wage Earner's Record*

50

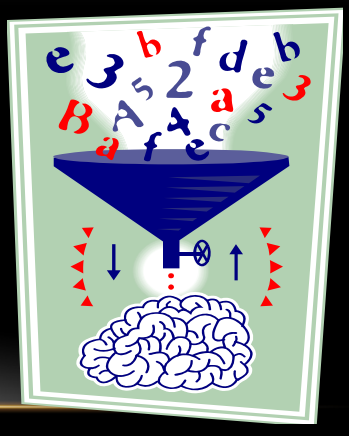
CASE IN POINT

- [Federal Register Volume 76, Number 156 (Friday, August 12, 2011)] [Notices] [Pages 50198-50199] From the Federal Register Online via the Government Printing Office [www.gpo.gov] [FR Doc No: 2011-20608]
- DEPARTMENT OF EDUCATION Privacy Act of 1974; Computer Matching Program AGENCY: Office of the Inspector General, U.S. Department of Education. ACTION: Notice of computer matching between the U.S. Department of Education and the U.S. Office of Personnel Management
- This program will assist in verifying the income information reported by Federal employees on the FAFSA. ED will compare the FAFSA income to the income listed in OPM/GOVT-1 General Personnel Records System (71 FR 35342, June 29, 2006).

51

THE ROLE OF ANALYTICS: FRAUD RINGS LEAVE A TRAIL OF DATA THAT TRANSCENDS SILOS

- Email address
- PO Box
- IP address
- Phone number
- Physical address
- Account Number
- Personally Identifiable Information
- Electronic device profile



52

STEPS TOWARDS MORE EFFECTIVE ENTERPRISE RISK MANAGEMENT

- Assessment of current state
  - Architecture
  - Risk Components
  - Data
  - Corporate Culture
  - Process
- Identify and prioritize risks
- Data Security/Segmentation
- Active Monitoring
- Network Scan
- Briefing and Feedback

PHASE 2-ENTERPRISE RISK MANAGEMENT

- Design Enterprise Risk Governance Structure
  - End to End Consolidated Security Strategy
  - Converge Physical and IT Security
  - Training and Awareness
  - Corporate Culture
  - Metrics and Dashboards
  - Incident Management
  - Business Continuity
  - Screening and Monitoring
  - Supply Chain Security

PERSONAL SECURITY

- Patch Updates
- Extra Authentication
- Keep a close eye on credit card and banking activity
- Take extreme care with online banking access: scramble userid and password keystrokes
- Shred
- Protect Data
- Educate yourself about phishing
- Lock down credit info

QUESTIONS?

Creating and Maintaining Successful Work Relationships

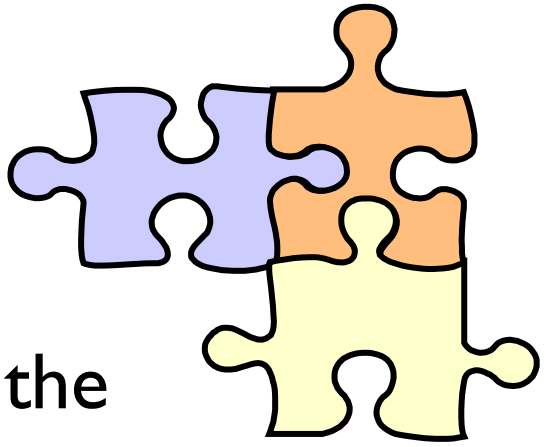
Facilitator: Holly A. Basso, M. Ed

Desirable Employee?

- Responsible
- Honest
- Confident
- Courteous
- Enthusiastic
- Helpful
- Encouraging

- Respectful
- Team worker
- Good communicator
- Good listener
- Works independently
- Receptive to instruction
- **Gets along with others**

3 Pronged Approach



1. Identify and understand your own style
2. Identify and understand the "styles" of others
3. Learn to mesh the two "styles" together

Things to know…

- Not an attempt to:
  - Pigeon-hole
  - Label
  - Stereotype

- Is an attempt to:
  - Understand
  - Bridge the gap
  - Establish meaningful relationships with others

Evaluate…

Extrovert ? Introvert

Evaluate…

Player

?

Worker

Extrovert vs. Introvert

- Friendly
- Outgoing
- Energized by people
- Think as they speak
- Think best when talking
- Need social interaction

- Introspective, shy
- Enjoy thinking
- Energized by being alone
- Think before they speak
- Drained by others
- Need to recharge

Worker vs. Player

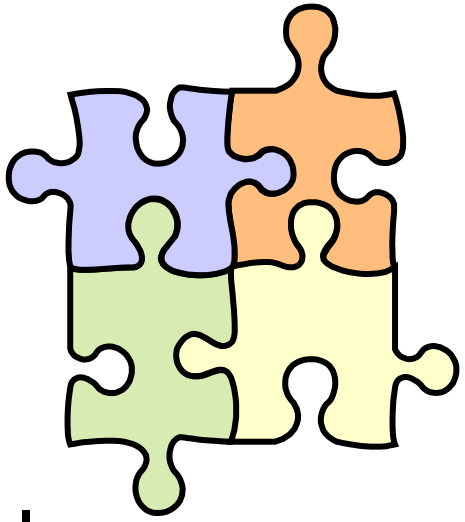
- Work is most important
- Work comes first
- Annoyed by "slackers"
- Have fun only if work is done

- Fun is most important
- Fun comes first
- Annoyed by "work-a-holics"
- Prefer work if work is fun

The “Styles”

Popular Sanguine	EXTROVERTS	Powerful Choleric
PLAYERS		**WORKERS**
Peaceful Phlegmatic	INTROVERTS	Perfect Melancholic

Keep in Mind…



- Everyone has a primary style
- Everyone has a secondary style
- Everyone has “a blend”
- Everyone should strive for balance

The “Sanguine” Style

Popular Sanguine “The Talker” Fun-Loving Optimistic Animated & Excited Life of the Party Undisciplined Forgetful Too Talkative Eager for Credit	EXTROVERTS	**Powerful** **Choleric**
PLAYERS		**WORKERS**
Peaceful **Phlegmatic**	INTROVERTS	**Perfect** **Melancholic**

Questions to Ponder

- Who do you know that might be a sanguine?
- How could you keep a sanguine happy?
- How could you best communicate with a sanguine?
- How could you best motivate a sanguine?

The “Choleric” Style

Popular Sanguine	EXTROVERTS	Powerful Choleric “The Worker” Controlling Dynamic Decisive Goal-Oriented Outspoken Bossy Impatient Dominating
PLAYERS		**WORKERS**
Peaceful Phlegmatic	INTROVERTS	Perfect Melancholic

Questions to Ponder

- Who do you know that might be a choleric?
- How could you keep a choleric happy?
- How could you best communicate with a choleric?
- How could you best motivate a choleric?

The “Melancholic” Style

Popular Sanguine	EXTROVERTS	Powerful Choleric
PLAYERS		**WORKERS**
Peaceful Phlegmatic	INTROVERTS	Perfect Melancholic “The Thinker” Deep & Purposeful Sensitive to Others Talented & Creative Analytical & Orderly Moody & Negative Too Introspective Socially Insecure Easily Depressed

Questions to Ponder

- Who do you know that might be a melancholic?
- How could you keep a melancholic happy?
- How could you best communicate with a melancholic?
- How could you best motivate a melancholic?

The “Phlegmatic” Style

Popular Sanguine	EXTROVERTS	Powerful Choleric
PLAYERS		**WORKERS**
Peaceful Phlegmatic “The Mediator” Easygoing Calm & Relaxed Patient & Inoffensive Quiet yet witty Unmotivated Unenthusiastic Indecisive Eager to Rest	INTROVERTS	Perfect Melancholic

Questions to Ponder

- Who do you know that might be a phlegmatic?
- How could you keep a phlegmatic happy?
- How could you best communicate with a phlegmatic?
- How could you best motivate a phlegmatic?

Deal Effectively with Others

1. Understand who you are
2. Try to understand who they are
3. Mesh the two together
   - ✓ Understand their needs
   - ✓ Empathize with them
   - ✓ Ask questions
   - ✓ Listen for understanding

Can you identify the styles?
(A play in four parts...)

The Hat: Act One…

Imagine that this "Style" walks into a park and sits on a bench. He puts his hat down beside him and turns to read his paper. Meanwhile, someone comes along and accidentally sits on his hat. The hat, of course, goes flat.

When this "style" turns back and sees what has happened, he starts to laugh. To him, the hat looks funny!

The Hat: Act Two…

The next "Style" sees his hat crushed and is filled with rage. He turns red in the face and starts yelling, "Now look what you've done! What kind of an idiot are you? Do you know how much this hat cost? You're going to have to pay for it, you know!"

This "style" type will calm down only after he has been promised full compensation for the damage.

The Hat: Act Three…

The third "Style" sees his crushed hat and starts moaning "oh, my beautiful hat – it's ruined! I got it from my grandfather, and it meant so much to me. It will never be the same again."

Nothing the offender says or does can make things right anymore.

The Hat: Act Four…

Our last "Style" waits until the offender has gone.

He takes his flat hat and puts it calmly on his head and walks away.

Sanguine

Strengths	***Weaknesses***
Storytelling	Exaggerations & Lies
Magnetic Personality	Overbearing
Commanding Voice	Loud Mouth
Friendly Nature	Talks to Anyone
Free Thinker	Undisciplined
Casual Attitude	No Sense of Time
Unworried, Unhurried	Late for Everything
Loves to Shop	Overspends, In Debt
Generous	Gives to Anyone
Spontaneous	Never Plans

Questions to Ponder

- Why would a sanguine be useful at work?
- Why would a sanguine be useful on a work team?
- Why would it be challenging to have a sanguine at work?
- Why would it be a challenge to have a sanguine on a work team?

Coping Skills 101: The Sanguine

- ✓ Difficulty in accomplishing tasks.
- ✓ Talk without thinking.
- ✓ Like variety and flexibility.
- ✓ Accept more than they can do.
- ✓ Frequently not on time.
- ✓ Enjoy praise.
- ✓ Remember “Shiny Objects.”
- ✓ Use humor as coping mechanism.
- ✓ They mean well.

Choleric

Strengths		***Weaknesses***
Strong Leader		Bossy
Quick Thinker		Foolhardy Decisions
Good at Business		Impulsive
Works Hard		Workaholic
Persuasive		Con Artist
Strong-Willed		Stubborn
Competitive		Must Win
Self-Reliant		Too Independent
Straight Talk		Insulting
Fast Decisions		Impatient

Questions to Ponder

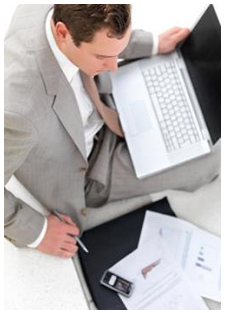
- Why would a choleric be useful at work?
- Why would a choleric be useful on a work team?
- Why would it be challenging to have a choleric at work?
- Why would it be a challenge to have a choleric on a work team?

Coping Skills 101: The Choleric

- ✓ Born leaders.
- ✓ Insist on two-way communication.
- ✓ They don’t mean to hurt.
- ✓ Don’t push them.
- ✓ Divide areas of responsibility.
- ✓ Not always compassionate.
- ✓ Frequently right.

Melancholic

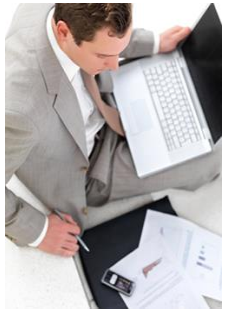
Strengths	***Weaknesses***
Neat and Meticulous	Obsessive
Money Managers	Stingy/Cheap
Deep Thinkers	Silent and Brooding
Introspective	Nit-picking
Serious Mind	Depressed
Plan Ahead	No Spontaneity
Persistent	Won't Give Up
Sensitive	Easily Hurt
Analytical and Detailed	Progresses Slowly
Idealistic	Out of Touch
Long-term Memory	Unforgiving

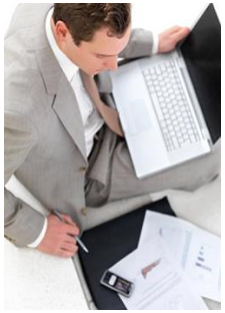


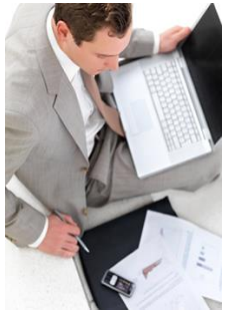
Questions to Ponder

- Why would a melancholic be useful at work?
- Why would a melancholic be useful on a work team?
- Why would it be challenging to have a melancholic at work?
- Why would it be a challenge to have a melancholic on a work team?

Coping Skills 101: The Melancholic







- ✓ Extremely sensitive.
- ✓ Pessimistic attitude.
- ✓ Appear constantly depressed.
- ✓ Compliment them sincerely.
- ✓ Like it quiet - need solitude.
- ✓ Help with their schedule.
- ✓ Neatness is important.
- ✓ Will "take it" for the team.

Phlegmatic

Strengths		***Weaknesses***
Easygoing		Lazy
Peaceful		Boring
Appears to Listen		Tunes You Out
Smiles and Nods		Doesn't Hear You
Cool, Detached Look		Totally Detached
Consistent		Stuck in a Rut
Adaptable		Indecisive
Soft, Low Voice		Mumbles
Fits in Anywhere		Lost in the Crowd
Balanced Thinker		No Opinion
Seductive Look		Too Tired

Questions to Ponder

- Why would a phlegmatic be useful at work?
- Why would a phlegmatic be useful on a work team?
- Why would it be challenging to have a phlegmatic at work?
- Why would it be a challenge to have a phlegmatic on a work team?

Coping Skills 101: The Phlegmatic

- ✓ Need direct motivation.
- ✓ Help them set goals.
- ✓ Unenthusiastic.
- ✓ Use procrastination.
- ✓ Prod for decisions.
- ✓ Will take all blame.
- ✓ Avoid responsibility.
- ✓ Have even dispositions.

Thank
You

Enterprise Systems Update

December 16, 2014

Luke Harris, Office of State the Controller
Amber Young, Office of the State Controller

Enterprise Systems Update – Cash Management System

- *Module of the DST – Core Banking system*
- *Web Based*
- *NCID*
- *Security functions*
- *April 2016*

Enterprise Systems Update – Cash Management

- *Current development*
- *Training*
- *Review of legacy system*
- *Proposed new features*
  - *Processing deadlines*
  - *Source of funds*
  - *Weekly projection*
  - *Eliminate beginning of month down time*

3

Enterprise Systems Update - eCommerce

- *EFT contract – Next Phases*
- *New Master Service Agreement (MSA) for Merchant Cards Processing*
- *Common Payment Service (CPS) update*
- *New Contract for Payment Card Industry (PCI) Services*
- *EMV liability shift - 2015*
- *Updated metrics for eCommerce*

4

Enterprise Systems Update - eCommerce

- Amendment 1 to the EFT MSA with Bank of America
  - Returns Account Reconciliation and Remuneration Policy
    - Supplement to DST Banking Services Handbook
    - Provides timeframes for funding return accounts
    - States when participant may incur overdraft fees
  - Universal Payment Identification Code (UPIC)
    - Numbers can be used from bank to bank
    - Reduces fraud
  - Electronic Data Interchange (EDI) services

5

Enterprise Systems Update - eCommerce

- Prepaid Debit Card Services
  - Disbursement by agency made on card
  - Receiver can use card at point of sale or ATM
  - No fees associated with recipient use of cards in most cases

6

Enterprise Systems Update - eCommerce

- Prepaid Debit Card Services – cont'd
  - Areas of potential use include:
    - Tax refunds
    - Child Support
    - Payroll
    - Student Refunds
    - Athletics per diem
    - Grant payments
    - Student Financial Aid (Title IV)
    - Unbanked

7

Enterprise Systems Update - eCommerce

New MSA for Merchant Cards Processing

- SunTrust Merchant Services (First Data) awarded contract December 2014
- New rate per transaction for vendor levied fee - **$.015**
- Gateway options
  - PayPoint –10 cent a transaction and no setup fee
  - Global Gateway E4 - $.0175 per transaction and no setup fee
  - Hosted Recurring Payments – 5 cent a transaction

8

Enterprise Systems Update - eCommerce

- New MSA for Merchant Cards – cont'd
  - Point of sale system – Clover
    - Cloud based software
    - Tracks inventory and sales
    - Accepts Payments
  - Point to Point Encryption Solution – TransArmor
    - Rate is .0075 per transaction
    - No setup fee
  - Mobile Solution– Mobile Pay
    - $19.99 plus 4.95 monthly fee per terminal id

Enterprise Systems Update - eCommerce

- New MSA for Merchant Cards – cont'd

Clover Station

Mobile Pay

Enterprise Systems Update - eCommerce

- Common Payment Service (CPS)
  - State's gateway owned by OSC, operated by OITS
  - CPS will be sun setting in 2015
  - CPS participants notified in April 2014.
  - Conversion projects well underway to meet deadline.
  - CPS last day of processing is June 20, 2015 (no exceptions).

Enterprise Systems Update - eCommerce

- New Contract for Payment Card Industry (PCI) Services
  - Coalfire awarded contract in December 2014
  - New portal (Navis) with logic built in to assist in answering SAQ
  - New portal will have PCI version 3.0 SAQ's
  - Participant will continue to answer appropriate SAQ at the participant level
  - Portal has capability to accommodate SAQ's at the merchant level that will roll up into the participant level
    - Cost at the participant level –OSC
    - Cost at the merchant level – Participant (optional)

Enterprise Systems Update - eCommerce

- EMV liability shift coming in 2015
  - Chip based card technology
  - Designed to reduce fraud
  - Liability shift October 1, 2015
  - Party that cannot accept chip based cards takes on entire liability of the transaction

13

Enterprise Systems Update - eCommerce

- EMV liability shift coming in 2015- cont'd
  - Inventory your point of sale machines
  - Some current machines can add peripheral
  - Other devices will need to be replaced
  - EMV devices are available on MSA

14

Enterprise Systems Update - eCommerce

Electronic Funds Transfer Volume

15

Enterprise Systems Update - eCommerce

Merchant Card Volume

16

Enterprise Systems Update - eCommerce

Contact Information:

Amber Young
Central Compliance Manager
Statewide Accounting
North Carolina Office of the State Controller
1410 Mail Service Center
Raleigh, NC 27699-1410
Phone: 919-707-0619
Email: amber.young@osc.nc.gov

Luke Harris
Financial Specialist
Statewide Accounting
North Carolina Office of the State Controller
1410 Mail Service Center
Raleigh, NC 27699-1410
Phone: 919-707-0667
Email: luke.harris@osc.nc.gov

Office of State Budget and Management
Balancing Needs - Improving Government

NC IBIS Update

OSC Financial Conference
December 17, 2014

IBIS Update – What we do and where we are

IBIS – Integrated Budget Information System

- IBIS went live July 1, 2013 - Replaced legacy systems with integrated web-based application
- Includes Budget Development, Budget Execution, Program Budgeting and Business Intelligence Reporting
- IBIS is stable and working well, but we still have work to do

IBIS Update – Where we are going

Enhancements:

- Bulk upload on Budget Revisions (positions tab)
- Bulk upload of Certification data
- Bulk upload of Worksheet II data
- Salary Control improvements
- Improvements to sorting, filtering and defaults
- Improvements to fund and account maintenance

Other:

- Strategic Planning/Program Data
- Various performance improvements
- Minor bug fixes

IBIS Update – Where we are going

Historical Data Migration:

- Transfer Certification data (back to 1989-91)
- Transfer Budget Revisions (back to 1985-86)
- All Allotment data has been loaded (back to 2003)
- Salary Control detail will not be migrated

Reporting Improvements

- Produce Governor's Recommended Budget for 2015-17 from IBIS
- Historical/trend reporting
- Drill down and drill through reporting

IBIS Update – Challenges

- Ongoing training
  - Web-based vs. classroom
  - Understanding demand
  - Business & technical
- Browser and other software compatibility
- Balancing enhancements against required changes and system maintenance
- License limitations

Office of State Budget and Management
Balancing Needs - Improving Government

State Of North Carolina

Questions?

Financial Operations Division
Brandon Watson, Banking Director

December 16, 2014

North Carolina Department of State Treasurer
Learn. Invest. Grow. Prosper.

Core Banking System

What is Core Banking System?

- Core Banking System or CB$ functions as the external online banking system for agencies and universities throughout the State.
- Allows users to submit funds transfers (wires), Positive Pay files, and stop pay files. It also allows user to view cleared checks and account activity.
- Activity from Core Banking either feeds into or is fed from our primary banking system, Flexcube.

North Carolina Department of State Treasurer
Learn. Invest. Grow. Prosper.

Core Banking System

Why is CB$ Being Upgraded?

- CB$ was implemented in June 2003 as part of the Flexcube banking system.
  - Technology is outdated
    - Forms based technology doesn't allow for easy navigation when entering information in screens.
  - No longer being supported by Oracle
    - No maintenance contract in place.
  - Separate reporting tool required in older version
    - Business Objects Reporting tool is a separate application licensed to NCDST.

Core Banking System

Project Plan

- Upgrade began in March 2014 with the signing of the contract.
- Functional Specification Document reviews.
  - Outline exactly how we want the system to function
  - Process lasted approximately 3 months (March – May)
- Walk through of customizations. July & August 2014
- Development environment preparation, software delivery and installation. June - September 2014
- Mock data migration and testing. October 2014

Core Banking System

Project Plan

- Training on Flexcube UBS (upgraded version) and CB$ for FOD employees.
  - Completed CB$ training - November 17-21
  - Flexcube UBS training - December 1-16
- User Acceptance Testing. January – April 2015
- **Training external users on the upgraded CB$ application.**
  - **Scheduled for April 6 – 17, 2015**
- Run the Flexcube UBS system in parallel with the old system daily.
  - Users will have to do all of their work twice each day.
    April 20-24, 2015
- Go Live! Scheduled for April 27, 2015

Core Banking System

Managing the Process

- Identified particular roles that needed to be filled
  - *Steering Committee* – Responsible for overseeing the project
  - *IT Project Manager* – Primary Project Manager. Coordinates vendor activities and manages the project plan
  - *FOD Project Manager* – Responsible for coordinating activities involving business users, communicating project status, and making sure business user concerns are addressed.
  - *Project Team* – Responsible for accurately defining and testing of their functions and coordinating activities with their teams.
  - *Training Lead* – Responsible for planning and implementing training activities for external users throughout the State.

Core Banking System

Managing the Process

- Communicate project status updates internally
  - Steering Committee meetings bimonthly
  - Weekly status update meeting with the vendor
  - Weekly project team meeting
  - Daily meetings between the vendor and project managers
- Report project status externally
  - Quarterly status updates to Fiscal Research Division and the Office of State Budget Management
  - Messages posted to CB$ for users and administrators

Core Banking System

Challenges

- Staffing – Vacancies, daily workflow.
- Timing – Daily production work vs. banking upgrade
- Flexibility for the future
  - Potential future enhancements
  - Potential changes to current operations
  - Not wed to “We’ve always done it this way.”
- Attention to Detail – Consider all aspects. This system may be in place 10 more years before it is upgraded.
- Physical Office Move – Minimizing the impact of DST moving to the project plan.

Thank you!

Together, we can build and maintain a fiscally strong and prosperous North Carolina.

www.NCTreasurer.com

North Carolina Department of State Treasurer
Learn. Invest. Grow. Prosper.

UNC-Chapel Hill ERP ConnectCarolina

Update for Office of State Controller Financial Conference

December 16,2014

Connect CAROLINA

What We Did

- ConnectCarolina is UNC-Chapel Hill's branding of Oracle's PeopleSoft
- Replaced aging, non-integrated legacy applications
  - 1968 – Payroll system
  - 1988 – Financial system
  - 2000 – HR Information System (HRIS)
  - 2006 – EPA Web
- Finance and HR/Payroll go-live October 2014
  - Campus Solutions (student administration) went live in 2009-2010
- Expanded InfoPorte to entire campus
  - Provides reporting and data warehouse capabilities using ConnectCarolina data

Connect CAROLINA

What We Gained

Consistent processes, consistent data

Better reporting and data analysis

Reduction in departmental ("shadow") systems

3

Connect CAROLINA

What We Accomplished (Since 10/01/14)

Payroll

- Ran 5 Bi-weekly Payrolls
- Ran 2 Monthly Payrolls
- Posted Payrolls to the General Ledger

Procurement

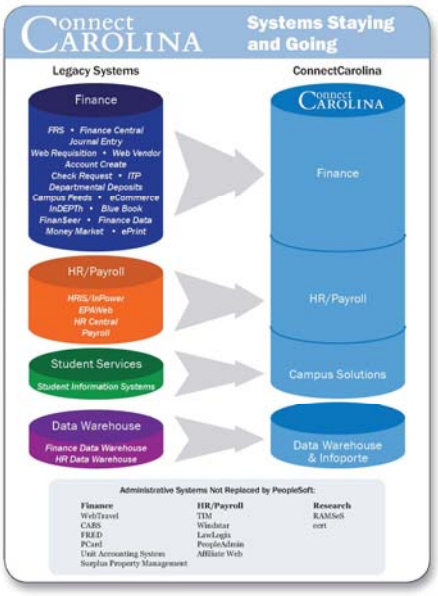
- Issued thousands of Purchase Orders
- Paid tens of thousands of invoices

Accounting Services

- Processed hundreds of journals
- Running second month-end close now

4

Replaced Many Finance Systems



- FRS Mainframe Application
- Finance Central
- Journal Entry
- Web Requisition (Purchase Requisition)
- Web Vendor
- Account Create
- Check Request
- Information Technology Purchasing
- Departmental Deposits
- Campus Feeds
- eCommerce
- InDEPTh
- Blue Book
- Finan$eer
- Finance Data Warehouse
- Money Market
- ePrint
- Upgraded to newer version of eProcurement

5

Engagement

Joint effort by:

UNC FINANCE DIVISION

UNC HUMAN RESOURCES

UNC RESEARCH

UNC INFORMATION TECHNOLOGY SERVICES

Leadership

- Sponsors: Provost and VCs for Finance, HR and ITS
- Stakeholders: Key campus and central office administrative leaders

Campus working groups

- Appointed by Deans
- Validated, reviewed and tested

Training & Implementation Partners (TIPs) and Trainers

- Liaisons to departments across campus
- Campus trainers assisted in Finance training effort

In-person and computer-based training

- 6,000 CBT views
- 1,700 individuals at in-person sessions

Large demos and town halls

- Important project updates and community interaction

Connect CAROLINA

#goliveheels

7

Connect CAROLINA

UNC-Chapel Hill and 2 others retweeted

Carol Folt @ChancellorFolt · Oct 2

Wow. Yesterday @ConnectCarolina went LIVE on a new admin system to improve every part of our business, and touches all at #UNC. **#GoLiveHeels**

5 3

8

Connect CAROLINA

Priorities and Opportunities

- Stabilize the platform
  - Focus on enabling campus and central administrative offices to be proficient in employing new concepts, new procedures and new systems effectively.
- Leverage ERP capabilities to reduce costs
  - Standardize processes and reduce administrative costs by eliminating customizations and embracing capabilities of the delivered applications wherever possible. Decommission legacy systems.
- Identify additional opportunities
  - Keep up-to-date with emerging technologies (like mobile), provide additional capabilities, and enhance administrative productivity by building on a stable platform.
- Focus going forward
  - Based on priorities set by governance body Enterprise Applications Coordinating Committee (EACC)

9

Connect CAROLINA

Questions?

10

2014 OSC Financial Conference

December 16, 2014

Attendees by Last Name (399)

Jennifer Acton-UNC at Chapel Hill
Bennie Aiken-Department of Insurance
Robbie Alford-Office of State Controller
Stephanie Alsay-Department of Justice
Greg Alvord-Department of Health and Human Services
Ann Anderson-Office of State Controller
Lewis Andrews-Department of State Treasurer
Khalid Awan-Department of Public Safety
Debra Bailey-East Carolina University
Lien Bailey-UNC at Pembroke
Donnamarie Baldwin-Department of Health and Human Services
William Ball-Administrative Office of the Courts
Yolanda Banks Deaver-NC Central University
Rodney Bass-General Assembly
Kim Battle-Department of State Treasurer
Lyndsey Beasley-NC State University
Katina Bell-Office of State Auditor
Joseph Belnak-NC Education Lottery
Randle Bennett-UNC at Greensboro
Thomas Berryman-Department of Health and Human Services
Jeannie Betts-Department of Environment and Natural Resources
Michael Bingham-Western Piedmont Community College
Michelle Blackwelder-Department of Health and Human Services
Eric Blaize-Department of Secretary of the State
David Blakemore-UNC at Chapel Hill
Leslie Blankenship-Isothermal Community College
Judy Blount-Department of Public Instruction
Yolanda Bonnette-Fayetteville State University
Floyd Bowen Jr-Department of Health and Human Services
Dee Bowling-East Carolina University
Vicki Braddy-Department of Public Safety
Bryan Brannon-Administrative Office of the Courts
Jack Brinson-Department of Labor
Robert Brinson-Department of Public Safety
Evangeline Brodie-Department of Administration
Madelene Brooks-Cape Fear Community College
Sharon Brooks-UNC at Chapel Hill
Adam Brueggemann-Office of State Budget and Management
Ryan Brummeyer-Department of Health and Human Services
Helen Buck-NC A and T State University
Anita Bunch-Department of Revenue
Katherine Burckley-NC A and T State University
James Burke-Department of State Treasurer
Jean Burke-Department of Public Safety
Ginger Burks-NC State University
George Burnette-UNC School of the Arts
Joannie Burtoft-Department of State Treasurer
Ashley Byrd-Office of State Auditor
Timothy Byrd-UNC Hospitals
Frances Camara-State Board of Elections
Cassandra Campbell-NC State University
Edith Cannady-Office of State Controller
Mark Carlson-Department of State Treasurer
Cynthia Carter-NC Central University
Wynona Cash-Office of State Controller
Angela Chafalovitch-Department of State Treasurer
Jeannie Chen-NC State University
Lifen Chen-UNC at Chapel Hill
James Cheroke-Department of Public Safety
Jordan Chippewa-Office of State Auditor
Tommy Clark-Department of Secretary of the State
Elizabeth Colcord-Department of Revenue
Crystal Cole-Office of State Controller
Paul Cole-Department of Health and Human Services
Cindy Collie-Alamance Community College
Kris Collum-Office of State Auditor
Jennifer Coltrane-NC State University
Linda Combs-Office of State Controller
Kathy Cooper-Department of Transportation
Adrienne Covington-Nash Community College
Shannon Creech-Department of Justice
Kimberly Crews-UNC Hospitals
Jared Cronk-Office of State Auditor
Stephanie Cronk-Department of Revenue
Joy Darden-Office of State Controller
Clayton Darnell-Office of State Controller
Lana Davidson-UNC Hospitals
Amanda Davis-UNC Hospitals
Angela Davis-UNC at Chapel Hill
Bertha Davis-Department of Transportation
Diane Davis-NC A and T State University
Joshua Davis-Department of Cultural Resources
Steve Davis-Department of Public Safety
Joyce Davis-Freeman-Department of Environment and Natural Resources
Robin Deaver-Fayetteville Technical Community College
Joseph DeBragga-Department of Environment and Natural Resources
John Del Greco-Department of Public Safety
Erin Delehanty-NC State University
Rhonda Devan-Asheville-Buncombe Tech Community College
Lorna DeWalle-UNC at Chapel Hill
Annette Dishner-Nash Community College
Melissa Dorman-Department of Transportation
Sarah Dozier-Department of Cultural Resources
Debbie Dryer-Office of State Controller
Iona Duckworth-State Education Assistance Authority
Ronda Dunston-State Board of Elections
Dana Dupree-UNC School of the Arts
Kenneth Durham-Department of State Treasurer
Michael Durkin-Department of Transportation
Frank Dziepak-Department of Health and Human Services
Mike Edwards-NC State University
James Einloth-NC Partnership for Children
Bivian Ejimakor-NC A and T State University
Elizabeth Elder-Department of Public Safety
Amy Evans-Office of State Auditor
Lisa Evans-Office of State Controller
Laresia Everett-Department of Insurance
Roger Farmer-Office of State Controller
Dora Fazzini-Department of State Treasurer
Melissa Fenton-Rex Healthcare
Joanne Ferguson-UNC at Wilmington
Stephanie Fisher-Nash Community College
Steven Fleeman-NC A and T State University
Cliff Flood-UNC General Administration
Joyce Flowers-Office of State Auditor
Susan Flowers-Department of Cultural Resources
Jason Forlines-NC Community College System
Craig Forsythe-Office of Information Technology Services
Paul Forte-UNC at Charlotte
Pam Fowler-Office of State Controller
Morgan Francis-Wilkes Community College
Susan "Carrie" Freeman-NC Housing Finance Agency
Patricia Fritz-East Carolina University
Samiel Fuller-Department of Public Instruction
Joe Futima-Department of State Treasurer
Linda Garr-Rex Healthcare
Teresa Gault-UNC at Chapel Hill
Derek Gee-Department of Cultural Resources
Tami George-Robeson Community College
Peggy Gill-Department of Transportation
Cindy Gilliam-Office of State Auditor
Anne Godwin-Office of State Controller

Bonnie Godwin-Department of Agriculture
Sarah Gould-Office of State Auditor
Patty Gravinese-NC Biotechnology Center
Christina Greene-Cape Fear Community College
Martha Greene-Forsyth Technical Community College
Larna Griffin-State Education Assistance Authority
Jenifer Gwaltney-UNC at Chapel Hill
Michelle Hall-Fayetteville Technical Community College
Keith Hammonds-Department of Public Safety
Brenda Hampshire-UNC at Greensboro
Jeff Harding-NC A & T University
Brian Harper-Department of Labor
Tim Harrell-Department of Public Safety
Dana Harris-UNC at Wilmington
Keith Harris-UNC at Chapel Hill
Luke Harris-Office of State Controller
Ashley Heath-Department of Health and Human Services
Jeff Henderson-UNC General Administration
Freda Hilburn-Department of Commerce
Sue Hill-Department of Public Safety
Shannon Hobby-Department of Commerce
Simuel Hodges-NC Housing Finance Agency
Sandy Hoilman-Western Piedmont Community College
Milburn Holbrook-NC State University
Linda Hollar-Office of State Auditor
Vance Holloman-Department of State Treasurer
Susan Holton-NC State University
Jason Holtz-Department of Labor
Jim Horne-General Assembly
Heather Horton-Department of Environment and Natural Resources
LaToya Horton-UNC at Chapel Hill
William Hosterman-UNC Hospitals
John House-Centennial Authority
Troy Howell-UNC at Chapel Hill
Kris Hudson-Department of Public Safety
Larry Huffman-Department of Health and Human Services
Monica Hughes-Department of Health and Human Services
Scott Hummel-NC A and T State University
Martha Hunt-Office of State Controller
Rusty Hunt-Davidson County Community College
Jessica Hwang-Strickland-UNC at Chapel Hill
Carmin Ipock-East Carolina University
Rokos Isaak-Office of State Controller
Michael Jackson-NC A and T State University
David Jamison-Appalachian State University
Lars Jarkko-UNC General Administration
Bryan Jenkins-NC Community College System
Bud Jennings-Administrative Office of the Courts
Elizabeth John-Department of Justice
Cathy Johnson-Office of State Controller
Eric Johnson-Gaston College
Monique Johnson-Department of Commerce
Sherrilyn Johnson-East Carolina University
Angela Johnston-Office of State Controller
Christine Jonas-Craven Community College
Wayne Jones-UNC at Greensboro
Christine Jumalon-Fayetteville State University
Ginny Kammer-Office of State Controller
Leslie Karlsson-NC Partnership for Children
Lisa Kaull-Office of State Controller
Sue Kearney-Department of Agriculture
Robert Keeney-Durham Technical Community College
James Kelly-UNC at Chapel Hill
Margaret Kendall-Office of State Controller
Steve Keto-NC State University
Gloria King-Department of Health and Human Services
Stephanie King-Department of Transportation
Andrew Kleitsch-Durham Technical Community College
Laura Klem-Office of State Controller
Gina Knight-Elizabeth City State University
Jim Knight-N. C. Education Lottery
Cathy Koegl-Department of Commerce
Mark Kozel-UNC at Chapel Hill
Stan Koziol-UNC at Chapel Hill
Heidi Kozlowski-NC State University
Roxanne Krotoszynski-Department of Health and Human Services
Ariana Kudlats-NC Housing Finance Agency
Kathy Lagana-Office of State Controller
Karin Langbehn-Pecaut-UNC at Chapel Hill
Darlene Langston-Department of Public Safety
Fran Lawrence-Department of State Treasurer
Kizzy Lea-Rowan-Cabarrus Community College
Siew Lee-Department of Public Safety
Tracey Lemming-UNC at Chapel Hill
Gayle Lemons-Office of Administrative Hearings
Lauren Lemons-Office of State Controller
Jennifer Leung-UNC General Administration
Nadine Lewis-State Board of Elections
H. Lee Linker-Office of State Auditor
Peizhu Liu-UNC Hospitals
Cathy Lively-Office of Information Technology Services
Penny Locklear-UNC at Pembroke
Matthew Longobardi-Department of Justice
Frank Lord-Winston-Salem State University
Elizabeth Loudermilk-UNC Hospitals
Becky Luce-Clark-Department of Justice
Tami Luckwaldt-Department of Insurance
Jim Macaulay-Office of State Controller
Arun Malik-UNC at Chapel Hill
Karen Mason-Office of Information Technology Services
Marcus McAllister-Office of State Controller
Lisa McClinton-UNC School of the Arts
Rachel McDonald-Office of State Auditor
Nathan McGhee-Department of Health and Human Services
Biff McGilvray-Department of State Treasurer
Jacqueline McKoy-Department of Revenue
Ben McLawhorn-Office of State Controller
Ralph McLester-UNC General Administration
Shamekia McNeil-Office of Information Technology Services
Kerri McNeill-UNC at Chapel Hill
John Meese-NC Housing Finance Agency
William Melton-UNC Hospitals
Marvin Mervin-Department of Public Safety
Eric Meymandi-Department of Public Safety
John Miller-UNC Hospitals
Kim Miller-NC State University
Laketha Miller-Department of Health and Human Services
Marvin Miller-Department of Public Safety
Matthew Miller-UNC General Administration
William (Ron) Miller-UNC Hospitals
Firoza Mistry-UNC Hospitals
Kim Mitchell-Office of Information Technology Services
Cynthia Modlin-East Carolina University
Elizabeth Moore-UNC at Chapel Hill
LaTasha Moore-James Sprunt Community College
Tim Morris-East Carolina University
Jo Wanna Mosley-General Assembly
Dannie Moss-East Carolina University
Beverly Murphy-Piedmont Community College
Clayton Murphy-Office of State Controller
Debra Neal-Department of Administration
Terri Noblin-Office of State Controller
Liza Nordstrom-NC Community College System
Hans Norland-Department of Public Safety
Jones Norris-Department of State Treasurer
Gwen Norwood-UNC at Chapel Hill
Barbara Odom-NC State University
Shannon Okine-Department of State Treasurer
Lori Oldham-Department of Cultural Resources
Terri Overton-Department of Agriculture
Jennifer Pacheco-Office of State Controller
Kim Padfield-Department of Transportation

Padmashree Paluri-Office of Information Technology Services
Ralph Parker-NC Education Lottery
Bridget Paschal-North Carolina Utilities Commission
Cynthia Patterson-Craven Community College
Tracy Patty-NC State University
David Peete-Office of State Controller
Mary Peloquin-Dodd-NC State University
Martha Pendergrass-UNC at Chapel Hill
Amy Penson-Isothermal Community College
Malinda Peters-Department of State Treasurer
Johnny Peterson-Craven Community College
Phyllis Petree-UNC at Chapel Hill
Tina Pickett-Department of Health and Human Services
John Pierce-UNC at Asheville
Rick Pieringer-Office of State Controller
Phillip Poirier-UNC Hospitals
Robert Pompey-NC A and T State University
Myra Poole-Roanoke-Chowan Community College
Ben Poulson-UNC at Chapel Hill
Ramey Powell-Department of Revenue
Rick Presnell-Appalachian State University
Dennis Press-UNC at Chapel Hill
Ellen Preston-NC Partnership for Children
Ashley Price-Office of State Auditor
David Price-East Carolina University
Sally Pulley-Department of Agriculture
Dawn Quist-East Carolina University
Karen Rackley-NC State University
Betty Jo Ramsey-Southeastern Community College
George Randlett-Department of Public Safety
Chandrika Rao-UNC at Chapel Hill
Pasupula Ravindranath-UNC Hospitals
Wesley Ray-Office of State Auditor
Kyle Reeves-Office of State Auditor
Doreen Rettie-Department of Public Safety
Paula Ricard-Real Estate Commission
Kathi Riffe-Guilford Technical Community College
Javier Rivera-Department of Health and Human Services
Jeremy Roberts-Office of State Controller
Wayne Robinson-Cleveland Community College
Scott Rogers-Caldwell Community College
Wayne Rogers-Department of Transportation
Elizabeth Rollinson-USS North Carolina Battleship Commission
Tim Romocki-Department of State Treasurer
Barbara Roper-Department of Administration
Nels Roseland-Department of Justice
Elizabeth Rozakis-NC Housing Finance Agency
Janet Rupert-UNC at Chapel Hill
Janet Rust-Department of Labor
Lynne Sanders-UNC General Administration
Camilla Sandlin-NC Education Lottery
Joan Saucier-Department of Public Safety
William Schmidt-Department of Commerce
Thomas Schneeberger-UNC at Chapel Hill
Troy Scoggins-Department of Health and Human Services
Bill Scott-Department of Health and Human Services
Kimberly Seamans-UNC at Charlotte
Peta-Gaye Shaw-Department of Administration
Teresa Shingleton-Office of State Controller
Brock Simonds-Rex Healthcare
Virginia Sisson-Office of State Controller
Patricia Sloop-Department of Public Safety
Betty Smith-Fayetteville Technical Community College
Brian Smith-UNC at Chapel Hill
Debra Smith-Halifax Community College
Erica Smith-Mitchell Community College
Jonathan Smith-Winston-Salem State University
Randy Smith-Wildlife
Rod Smith-UNC at Chapel Hill
Ron Smith-UNC at Greensboro
Sarah Smith-UNC General Administration
Shawn Smith-NC State University
Kathryn Sommese-Department of Health and Human Services
Kenneth Spayd-UNC at Pembroke
Karen Staab-Department of Public Safety
Lynn Stallings-NC State University
Faye Steele-East Carolina University
Karen Stevenson-UNC at Greensboro
Sharon Stevenson-UNC General Administration
Dan Stewart-Department of Health and Human Services
Justin Stiles-UNC at Chapel Hill
John Storment-UNC Hospitals
Amy Strange-State Board of Elections
Lisa Stubbs-Office of State Controller
Bill Styres-Office of State Auditor
Mike Suggs-NC Education Lottery
Michael Sullivan-Rex Healthcare
Marla Tart-Wake Technical Community College
Burt Tasaico-Department of Transportation
Wesley Taylor-General Assembly
Nancy Thomas-Office of State Controller
Randy Thomas-Office of State Controller
Debbie Todd-Fayetteville Technical Community College
Justo Torres-UNC at Chapel Hill
Jennifer Turcotte-Office of State Auditor
David Tyeryar-Department of Transportation
Alvenia Uitenham-NC A and T State University
Craig Umstead-Department of Transportation
Kimberly Van Metre-Office of Information Technology Services
Prabhavathi Vijayaraghavan-Office of State Controller
John Vollmer-UNC General Administration
Helen Vozzo-Office of State Controller
Darlene Waddell-NC Global TransPark Authority
Hunter Wagstaff-UNC Hospitals
Michael Walker-NC State University
Rebecca Wall-Stanly Community College
Yiwen Wang-UNC at Chapel Hill
Gary Ward-NC Central University
Tammy Ward-Department of State Treasurer
Dianne "Joey" Ware-Furlow-UNC at Chapel Hill
Gloria Waters-Department of Administration
Brandon Watson-Department of State Treasurer
Lily West-Department of Public Safety
Mary Jane Westphal-NC Global TransPark Authority
Rex Whaley-Department of Environment and Natural Resources
Susan Williams-UNC at Chapel Hill
Joe Wilson, Jr-Department of Transportation
Jennifer Wimmer-Department of State Treasurer
Elisa Wolper-N. C. Courts
Steve Woodruff-Rockingham Community College
Rita Wortham-Office of State Auditor
Yenchun Wu-Office of State Auditor
Amber Young-Office of State Controller
Willard Young-Department of Transportation
Yelena Zaytseva-Office of State Auditor

2014 OSC Financial Conference

December 16, 2014

Attendees by Agency (399)

William Ball-Administrative Office of the Courts
Bryan Brannon-Administrative Office of the Courts
Bud Jennings-Administrative Office of the Courts
Cindy Collie-Alamance Community College
David Jamison-Appalachian State University
Rick Presnell-Appalachian State University
Rhonda Devan-Asheville-Buncombe Tech Community College
Scott Rogers-Caldwell Community College
Madelene Brooks-Cape Fear Community College
Christina Greene-Cape Fear Community College
John House-Centennial Authority
Wayne Robinson-Cleveland Community College
Christine Jonas-Craven Community College
Cynthia Patterson-Craven Community College
Johnny Peterson-Craven Community College
Rusty Hunt-Davidson County Community College
Evangeline Brodie-Department of Administration
Debra Neal-Department of Administration
Barbara Roper-Department of Administration
Peta-Gaye Shaw-Department of Administration
Gloria Waters-Department of Administration
Bonnie Godwin-Department of Agriculture
Sue Kearney-Department of Agriculture
Terri Overton-Department of Agriculture
Sally Pulley-Department of Agriculture
Freda Hilburn-Department of Commerce
Shannon Hobby-Department of Commerce
Monique Johnson-Department of Commerce
Cathy Koegl-Department of Commerce
William Schmidt-Department of Commerce
Joshua Davis-Department of Cultural Resources
Sarah Dozier-Department of Cultural Resources
Susan Flowers-Department of Cultural Resources
Derek Gee-Department of Cultural Resources
Lori Oldham-Department of Cultural Resources
Jeannie Betts-Department of Environment and Natural Resources
Joyce Davis-Freeman-Department of Environment and Natural Resources
Joseph DeBragga-Department of Environment and Natural Resources
Heather Horton-Department of Environment and Natural Resources
Rex Whaley-Department of Environment and Natural Resources
Greg Alvord-Department of Health and Human Services
Donnamarie Baldwin-Department of Health and Human Services
Thomas Berryman-Department of Health and Human Services
Michelle Blackwelder-Department of Health and Human Services
Floyd Bowen Jr-Department of Health and Human Services
Ryan Brummeyer-Department of Health and Human Services
Paul Cole-Department of Health and Human Services
Frank Dziepak-Department of Health and Human Services
Ashley Heath-Department of Health and Human Services
Larry Huffman-Department of Health and Human Services
Monica Hughes-Department of Health and Human Services
Gloria King-Department of Health and Human Services
Roxanne Krotoszynski-Department of Health and Human Services
Nathan McGhee-Department of Health and Human Services
Laketha Miller-Department of Health and Human Services
Tina Pickett-Department of Health and Human Services
Javier Rivera-Department of Health and Human Services
Troy Scoggins-Department of Health and Human Services
Bill Scott-Department of Health and Human Services
Kathryn Sommese-Department of Health and Human Services
Dan Stewart-Department of Health and Human Services
Bennie Aiken-Department of Insurance
Laresia Everett-Department of Insurance
Tami Luckwaldt-Department of Insurance
Stephanie Alsay-Department of Justice
Shannon Creech-Department of Justice
Elizabeth John-Department of Justice
Matthew Longobardi-Department of Justice
Becky Luce-Clark-Department of Justice
Nels Roseland-Department of Justice
Jack Brinson-Department of Labor
Brian Harper-Department of Labor
Jason Holtz-Department of Labor
Janet Rust-Department of Labor
Judy Blount-Department of Public Instruction
Samiel Fuller-Department of Public Instruction
Khalid Awan-Department of Public Safety
Vicki Braddy-Department of Public Safety
Robert Brinson-Department of Public Safety
Jean Burke-Department of Public Safety
James Cheroke-Department of Public Safety
Steve Davis-Department of Public Safety
John Del Greco-Department of Public Safety
Elizabeth Elder-Department of Public Safety
Keith Hammonds-Department of Public Safety
Tim Harrell-Department of Public Safety
Sue Hill-Department of Public Safety
Kris Hudson-Department of Public Safety
Darlene Langston-Department of Public Safety
Siew Lee-Department of Public Safety
Marvin Mervin-Department of Public Safety
Eric Meymandi-Department of Public Safety
Marvin Miller-Department of Public Safety
Hans Norland-Department of Public Safety
George Randlett-Department of Public Safety
Doreen Rettie-Department of Public Safety
Joan Saucier-Department of Public Safety
Patricia Sloop-Department of Public Safety
Karen Staab-Department of Public Safety
Lily West-Department of Public Safety
Anita Bunch-Department of Revenue
Elizabeth Colcord-Department of Revenue
Stephanie Cronk-Department of Revenue
Jacqueline McKoy-Department of Revenue
Ramey Powell-Department of Revenue
Eric Blaize-Department of Secretary of the State
Tommy Clark-Department of Secretary of the State
Lewis Andrews-Department of State Treasurer
Kim Battle-Department of State Treasurer
James Burke-Department of State Treasurer
Joannie Burtoft-Department of State Treasurer
Mark Carlson-Department of State Treasurer
Angela Chafalovitch-Department of State Treasurer
Kenneth Durham-Department of State Treasurer
Dora Fazzini-Department of State Treasurer
Joe Futima-Department of State Treasurer
Vance Holloman-Department of State Treasurer
Fran Lawrence-Department of State Treasurer
Biff McGilvray-Department of State Treasurer
Jones Norris-Department of State Treasurer
Shannon Okine-Department of State Treasurer
Malinda Peters-Department of State Treasurer
Tim Romocki-Department of State Treasurer
Tammy Ward-Department of State Treasurer
Brandon Watson-Department of State Treasurer
Jennifer Wimmer-Department of State Treasurer
Kathy Cooper-Department of Transportation
Bertha Davis-Department of Transportation
Melissa Dorman-Department of Transportation

Michael Durkin-Department of Transportation
Peggy Gill-Department of Transportation
Stephanie King-Department of Transportation
Kim Padfield-Department of Transportation
Wayne Rogers-Department of Transportation
Burt Tasaico-Department of Transportation
David Tyeryar-Department of Transportation
Craig Umstead-Department of Transportation
Joe Wilson, Jr-Department of Transportation
Willard Young-Department of Transportation
Robert Keeney-Durham Technical Community College
Andrew Kleitsch-Durham Technical Community College
Debra Bailey-East Carolina University
Dee Bowling-East Carolina University
Patricia Fritz-East Carolina University
Carmin Ipock-East Carolina University
Sherrilyn Johnson-East Carolina University
Cynthia Modlin-East Carolina University
Tim Morris-East Carolina University
Dannie Moss-East Carolina University
David Price-East Carolina University
Dawn Quist-East Carolina University
Faye Steele-East Carolina University
Gina Knight-Elizabeth City State University
Yolanda Bonnette-Fayetteville State University
Christine Jumalon-Fayetteville State University
Robin Deaver-Fayetteville Technical Community College
Michelle Hall-Fayetteville Technical Community College
Betty Smith-Fayetteville Technical Community College
Debbie Todd-Fayetteville Technical Community College
Martha Greene-Forsyth Technical Community College
Eric Johnson-Gaston College
Rodney Bass-General Assembly
Jim Horne-General Assembly
Jo Wanna Mosley-General Assembly
Wesley Taylor-General Assembly
Kathi Riffe-Guilford Technical Community College
Debra Smith-Halifax Community College
Leslie Blankenship-Isothermal Community College
Amy Penson-Isothermal Community College
LaTasha Moore-James Sprunt Community College
Erica Smith-Mitchell Community College
Elisa Wolper-N. C. Courts
Jim Knight-N. C. Education Lottery
Adrienne Covington-Nash Community College
Annette Dishner-Nash Community College
Stephanie Fisher-Nash Community College
Jeff Harding-NC A & T University
Helen Buck-NC A and T State University
Katherine Burckley-NC A and T State University
Diane Davis-NC A and T State University
Bivian Ejimakor-NC A and T State University
Steven Fleeman-NC A and T State University
Scott Hummel-NC A and T State University
Michael Jackson-NC A and T State University
Robert Pompey-NC A and T State University
Alvenia Uitenham-NC A and T State University
Patty Gravinese-NC Biotechnology Center
Yolanda Banks Deaver-NC Central University
Cynthia Carter-NC Central University
Gary Ward-NC Central University
Jason Forlines-NC Community College System
Bryan Jenkins-NC Community College System
Liza Nordstrom-NC Community College System
Joseph Belnak-NC Education Lottery
Ralph Parker-NC Education Lottery
Camilla Sandlin-NC Education Lottery
Mike Suggs-NC Education Lottery
Darlene Waddell-NC Global TransPark Authority
Mary Jane Westphal-NC Global TransPark Authority
Susan "Carrie" Freeman-NC Housing Finance Agency
Simuel Hodges-NC Housing Finance Agency
Ariana Kudlats-NC Housing Finance Agency
John Meese-NC Housing Finance Agency
Elizabeth Rozakis-NC Housing Finance Agency
James Einloth-NC Partnership for Children
Leslie Karlsson-NC Partnership for Children
Ellen Preston-NC Partnership for Children
Lyndsey Beasley-NC State University
Ginger Burks-NC State University
Cassandra Campbell-NC State University
Jeannie Chen-NC State University
Jennifer Coltrane-NC State University
Erin Delehanty-NC State University
Mike Edwards-NC State University
Milburn Holbrook-NC State University
Susan Holton-NC State University
Steve Keto-NC State University
Heidi Kozlowski-NC State University
Kim Miller-NC State University
Barbara Odom-NC State University
Tracy Patty-NC State University
Mary Peloquin-Dodd-NC State University
Karen Rackley-NC State University
Shawn Smith-NC State University
Lynn Stallings-NC State University
Michael Walker-NC State University
Bridget Paschal-North Carolina Utilities Commission
Gayle Lemons-Office of Administrative Hearings
Craig Forsythe-Office of Information Technology Services
Cathy Lively-Office of Information Technology Services
Karen Mason-Office of Information Technology Services
Shamekia McNeil-Office of Information Technology Services
Kim Mitchell-Office of Information Technology Services
Padmashree Paluri-Office of Information Technology Services
Kimberly Van Metre-Office of Information Technology Services
Katina Bell-Office of State Auditor
Ashley Byrd-Office of State Auditor
Jordan Chippewa-Office of State Auditor
Kris Collum-Office of State Auditor
Jared Cronk-Office of State Auditor
Amy Evans-Office of State Auditor
Joyce Flowers-Office of State Auditor
Cindy Gilliam-Office of State Auditor
Sarah Gould-Office of State Auditor
Linda Hollar-Office of State Auditor
H. Lee Linker-Office of State Auditor
Rachel McDonald-Office of State Auditor
Ashley Price-Office of State Auditor
Wesley Ray-Office of State Auditor
Kyle Reeves-Office of State Auditor
Bill Styres-Office of State Auditor
Jennifer Turcotte-Office of State Auditor
Rita Wortham-Office of State Auditor
Yenchun Wu-Office of State Auditor
Yelena Zaytseva-Office of State Auditor
Adam Brueggemann-Office of State Budget and Management
Robbie Alford-Office of State Controller
Ann Anderson-Office of State Controller
Edith Cannady-Office of State Controller
Wynona Cash-Office of State Controller
Crystal Cole-Office of State Controller
Linda Combs-Office of State Controller
Joy Darden-Office of State Controller
Clayton Darnell-Office of State Controller
Debbie Dryer-Office of State Controller
Lisa Evans-Office of State Controller
Roger Farmer-Office of State Controller
Pam Fowler-Office of State Controller
Anne Godwin-Office of State Controller
Luke Harris-Office of State Controller
Martha Hunt-Office of State Controller
Rokos Isaak-Office of State Controller

Cathy Johnson-Office of State Controller
Angela Johnston-Office of State Controller
Ginny Kammer-Office of State Controller
Lisa Kaull-Office of State Controller
Margaret Kendall-Office of State Controller
Laura Klem-Office of State Controller
Kathy Lagana-Office of State Controller
Lauren Lemons-Office of State Controller
Jim Macaulay-Office of State Controller
Marcus McAllister-Office of State Controller
Ben McLawhorn-Office of State Controller
Clayton Murphy-Office of State Controller
Terri Noblin-Office of State Controller
Jennifer Pacheco-Office of State Controller
David Peete-Office of State Controller
Rick Pieringer-Office of State Controller
Jeremy Roberts-Office of State Controller
Teresa Shingleton-Office of State Controller
Virginia Sisson-Office of State Controller
Lisa Stubbs-Office of State Controller
Nancy Thomas-Office of State Controller
Randy Thomas-Office of State Controller
Prabhavathi Vijayaraghavan-Office of State Controller
Helen Vozzo-Office of State Controller
Amber Young-Office of State Controller
Beverly Murphy-Piedmont Community College
Paula Ricard-Real Estate Commission
Melissa Fenton-Rex Healthcare
Linda Garr-Rex Healthcare
Brock Simonds-Rex Healthcare
Michael Sullivan-Rex Healthcare
Myra Poole-Roanoke-Chowan Community College
Tami George-Robeson Community College
Steve Woodruff-Rockingham Community College
Kizzy Lea-Rowan-Cabarrus Community College
Betty Jo Ramsey-Southeastern Community College
Rebecca Wall-Stanly Community College
Frances Camara-State Board of Elections
Ronda Dunston-State Board of Elections
Nadine Lewis-State Board of Elections
Amy Strange-State Board of Elections
Iona Duckworth-State Education Assistance Authority
Larna Griffin-State Education Assistance Authority
John Pierce-UNC at Asheville
Jennifer Acton-UNC at Chapel Hill
David Blakemore-UNC at Chapel Hill
Sharon Brooks-UNC at Chapel Hill
Lifen Chen-UNC at Chapel Hill
Angela Davis-UNC at Chapel Hill
Lorna DeWalle-UNC at Chapel Hill
Teresa Gault-UNC at Chapel Hill
Jenifer Gwaltney-UNC at Chapel Hill
Keith Harris-UNC at Chapel Hill
LaToya Horton-UNC at Chapel Hill
Troy Howell-UNC at Chapel Hill
Jessica Hwang-Strickland-UNC at Chapel Hill
James Kelly-UNC at Chapel Hill
Mark Kozel-UNC at Chapel Hill
Stan Koziol-UNC at Chapel Hill
Karin Langbehn-Pecaut-UNC at Chapel Hill
Tracey Lemming-UNC at Chapel Hill
Arun Malik-UNC at Chapel Hill
Kerri McNeill-UNC at Chapel Hill
Elizabeth Moore-UNC at Chapel Hill
Gwen Norwood-UNC at Chapel Hill
Martha Pendergrass-UNC at Chapel Hill
Phyllis Petree-UNC at Chapel Hill
Ben Poulson-UNC at Chapel Hill
Dennis Press-UNC at Chapel Hill
Chandrika Rao-UNC at Chapel Hill
Janet Rupert-UNC at Chapel Hill
Thomas Schneeberger-UNC at Chapel Hill
Brian Smith-UNC at Chapel Hill
Rod Smith-UNC at Chapel Hill
Justin Stiles-UNC at Chapel Hill
Justo Torres-UNC at Chapel Hill
Yiwen Wang-UNC at Chapel Hill
Dianne "Joey" Ware-Furlow-UNC at Chapel Hill
Susan Williams-UNC at Chapel Hill
Paul Forte-UNC at Charlotte
Kimberly Seamans-UNC at Charlotte
Randle Bennett-UNC at Greensboro
Brenda Hampshire-UNC at Greensboro
Wayne Jones-UNC at Greensboro
Ron Smith-UNC at Greensboro
Karen Stevenson-UNC at Greensboro
Lien Bailey-UNC at Pembroke
Penny Locklear-UNC at Pembroke
Kenneth Spayd-UNC at Pembroke
Joanne Ferguson-UNC at Wilmington
Dana Harris-UNC at Wilmington
Cliff Flood-UNC General Administration
Jeff Henderson-UNC General Administration
Lars Jarkko-UNC General Administration
Jennifer Leung-UNC General Administration
Ralph McLester-UNC General Administration
Matthew Miller-UNC General Administration
Lynne Sanders-UNC General Administration
Sarah Smith-UNC General Administration
Sharon Stevenson-UNC General Administration
John Vollmer-UNC General Administration
Timothy Byrd-UNC Hospitals
Kimberly Crews-UNC Hospitals
Lana Davidson-UNC Hospitals
Amanda Davis-UNC Hospitals
William Hosterman-UNC Hospitals
Peizhu Liu-UNC Hospitals
Elizabeth Loudermilk-UNC Hospitals
William Melton-UNC Hospitals
John Miller-UNC Hospitals
William (Ron) Miller-UNC Hospitals
Firoza Mistry-UNC Hospitals
Phillip Poirier-UNC Hospitals
Pasupula Ravindranath-UNC Hospitals
John Storment-UNC Hospitals
Hunter Wagstaff-UNC Hospitals
George Burnette-UNC School of the Arts
Dana Dupree-UNC School of the Arts
Lisa McClinton-UNC School of the Arts
Elizabeth Rollinson-USS North Carolina Battleship Commission
Marla Tart-Wake Technical Community College
Michael Bingham-Western Piedmont Community College
Sandy Hoilman-Western Piedmont Community College
Randy Smith-Wildlife
Morgan Francis-Wilkes Community College
Frank Lord-Winston-Salem State University
Jonathan Smith-Winston-Salem State University