

**Large Agency  
Chief Financial Officers' Meeting Minutes  
January 31, 2012**

**PARTICIPANTS:**

Cheryl Toone, ADA/Risk Management  
Sheryl Bodmer, DCA  
Tim Newton, DEA  
Karen Johnson, DEA  
Li Li, DJA  
Keith Fallstrom, DTA  
Ross Begnoche, EDA  
Mike Clark, EVA  
John Lake, HSA  
Dianna Claassen, MAA  
Nancy Bennett, RTA  
Syndia Reeder, WCA  
Clark Partridge, ADA/GAO  
Mike Smarik, ADA/GAO  
Anita Kleinman, ADA/GAO  
Joanna Greenaway, ADA/GAO  
Stu Wilbur, ADA/GAO  
Tami Eckloff, ADA/GAO  
Jaimie Soulvie, ADA/GAO  
Angela Dillard, ADA/GAO  
Ron Santa Cruz, ADA/GAO  
Greg Vokoun, ADA/GAO  
Tim Russ, ADA/GAO

***ITEMS COVERED***

*Clark Partridge – Welcome*

**ARRA Quarterly Update – Joanna Greenaway**

426 quarterly 1512 report updates were submitted. 51 reports were final. The amount of awards to report is scaling down. The GAO has partnered with the ADOA ASET division (former ISD) to complete the reports and provide the functions that were previously provided by the Governor's Office of Economic Recovery (GOER). It doesn't really change things that much since GAO and ASET have worked with GOER since the inception of ARRA. Thank you to the agencies for your cooperation and timely submissions.

**W-2s and 1099s – Stu Wilbur & Angela Dillard**

47,423 total W2s were produced for the State. 23,123 people signed up to get their W2 online, which will represent savings on printing and postage for the State. The W2s that

needed to be mailed went out yesterday. Starting tomorrow the online W2s will be available to everyone on the YES website, whether the employee consented or not.

Tonight is the first pre-note file for off cycle. This extra run of the pre-note file should help us reduce the warrant count and will be run every off payday week Tuesday. We are down to approximately 550 warrants being printed each pay week. With new employees, new bank accounts, terminations, etc. we will always have some level of warrants.

**Q:** Is there a deadline to hit the off cycle pre-note?

**A:** On Tuesday compute it is at 2:00 p.m, but on the off cycle week it is Tuesday at 6:00 p.m. A web story with detailed information will be posted on our website soon.

**Q:** With the W2s we understand that there was some system downtime when employees were trying to access their W2s. Do we know what happened?

**A:** Too many people were trying to access the system at the same time. When the system posts the W2 online, it sends the email to the employee saying the W2 is ready. It is hard to stagger the posting and emailing. We tried to send the information out in groups but we wanted to make sure all the IT staff was geared up so the emails were not blocked as SPAM or phishing. We will keep trying to improve this for next year.

**Q:** Is there a way to track the volume and get a report on the heaviest usage? When our agency goes live with ETE, we will have 10,000 employees entering and 10,000 approvals.

**A:** ETE is more developed for a volume of users. We may stagger the posting next year but then employees will start calling wondering why a coworker has their W2 and they don't.

We had just over 13,000 1099s that were sent out to vendors. We are now working on corrections before the IRS file is due at the end of March. One of our goals this year is to get the volume of B Notices down as low as possible, since each B Notice is now a \$100 penalty.

### **Single Audit – Anita Kleinman**

The responses to the audit findings are due to the Auditor General's central office by this Friday. We have had two findings in the past on the Attorney General Pro Rata charge and the IT pro rata charge. These charges hit basically every single federal program where employees are being paid. We have negotiated the payment of the disallowed costs with our federal cognizant agency, Department of Health and Human Services (DHHS). We have learned that some of the federal agencies have been contacting the State agencies directly asking for their portion of the disallowed costs. If you are contacted, do not pay your federal agency, please contact the GAO.

The fund sweeps are also a concern. We are anticipating the federal agencies will be looking for their portion from the fund sweeps. The Governor's budget proposal contains provisions which will allow us to fix some of the items that we are having issues with the feds.

We are hearing that agencies are really working hard and cutting down on their Single Audit findings.

### **CAFR – Ron Santa Cruz**

We are working on statements from component units but they are not expected to delay the issuance of the CAFR. The CAFR is in the Quality Control process with the Auditor General. We are hoping for a signed opinion by the 27<sup>th</sup> of February. As soon as the 2011 CAFR is complete, we will be working on timelines for the 2012 CAFR. We will be working towards a December 31 deadline for next year.

The feds are working on moving up the federal reporting therefore we need to move up the completion of the CAFR. We will then be pushing towards an end of November deadline in subsequent years.

**Q:** We are actually happy with moving up the timeline. It helps us with our review and gives us backing to tell people you must get it completed.

**A:** People will procrastinate until the deadline. In other cases it really takes people longer with all the things that are happening at the end of the fiscal year, reporting, budget, etc. If we have an ERP system and some of the things are automated, this will really help with the deadlines.

### **AFIS Replacement – Clark Partridge**

The requirements for the RFP and the business requirements are being discussed. We have completed two sections of the requirements gathering. The third one will be completed tomorrow and the fourth one on Thursday. We are making good progress. The focus group will go through the first cut of the requirements. That information will be put into the Decision Director software for all others to review.

We will be reporting back to you monthly in the CFO meetings. We are also holding core team meetings with some of the larger agencies, particularly those that have their own systems, to go through issues. If you have questions, feel free to contact us. We haven't had a steering committee meeting for some time. The funding from the Legislature is still up in the air. It was in the Governor's budget proposal. It is being intentionally comingled with other IT projects so that the dollar amount remains vague for any potential bidders.

### **Fraud Tool Kit – Greg Vokoun**

The Association of Government Accountants has acted as a sponsor for the Partnership for Intergovernmental Management and Accountability. Clark Partridge is currently the

head of the partnership. The partnership sets guidelines for products, services and projects that they feel will be beneficial to governmental accountants.

One of the projects the partnership took on was the Fraud Tool Kit. This has been a two year effort to create the website. On December 1, 2011 the Fraud Tool Kit was released. Greg gave a presentation of the website which can be found at [agacgfm.org/tools/fraudprevention](http://agacgfm.org/tools/fraudprevention).

### **Other Issues/Concerns – Clark**

**Q:** We really need a travel training class. There isn't anything online, GAO doesn't have anything.

**A:** If there is an exception or a problem, we need to talk about it up front. Things happen but if there is a known issue before the travel commences, it needs to be discussed up front. It is problematic having a class when the audience has such a wide variety of issues and circumstances. We would appreciate your input. What would you like to see in a travel training class?

**Q:** I would like to have someone come out and meet with our staff. I can tell them what the problems are in our agency. We have all new administrative support staff that have never handled these issues before. We have a lot of new travelers. They need a basic overview of how to, what you need advance approval for, where you can go to get some of your questions answered.

**A:** We will look at it.

**Q:** When you were talking about the Single Audit and the fund sweeps, does that mean we do not have to worry about offsets this year?

**A:** No, that isn't the case. We will have a new finding that will be hitting this year. Even though we have been sweeping since 2008, this is the first year the finding will show up.

**Q:** Are we done with the offsets?

**A:** We think so for the ones from last fall.

**Q:** So if the Executive Budget goes through, these issues will be resolved?

**A:** Not all of them, there will still be the sweeps. We will be settling with the feds for \$10.4 million to settle fiscal year 2010 and 2011. 2012 is estimated to be about \$5 million. We just don't know when the offsets will take place.

**Q:** On the W9 there is a box that states exempt payee. The W9 we have for the State does not have this box checked. A question was asked, why isn't the box checked? In the instructions it says states are exempt.

**A:** We do not have that box checked because the entity can go ahead and report it but we are a state government and therefore do not have to file a tax return but there are certain taxes that we are not exempt from as a state.

**Q:** In the instructions it talks specifically about federal withholdings. The concern is that someone may do a backup withholding.

**A:** If we provide the W9, they can't do a backup withholding. We provide the W9 so they can report payments to the feds. It should be a non issue. If you ever have a problem, let us know.

**Future Agenda Items**

**AFIS Training**

**NSF & Favorable/ Unfavorable Deposits Cleanup Project**

If you have any questions or concerns, please contact the GAO.

Meeting adjourned at 3:20 p.m.

The next meeting is scheduled for Tuesday, February 28, 2012, at 2:00 p.m. in the General Accounting Office.