



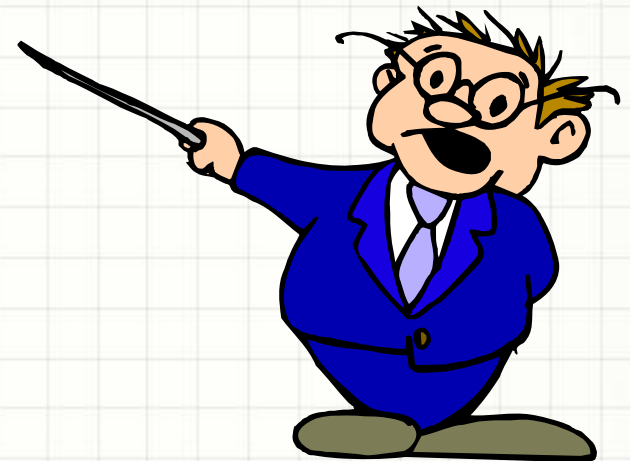
2011-13 Governor's Balanced Budget

SABR Coordinator Meeting for
PICS and ORBITS Reconciliation Process

February 1, 2011

AGENDA

- Availability of PICS web reporting
- New CITRIX environment
- PICS reconciliation process
- ORBITS reconciliation process
- Staff resources



PICS Presentation



ORBITS Presentation





Good News & Bad News

- Good News
 - No OPE rate changes in PICS; therefore no OPE account reconciliation needed
 - New ORBITS BDV200 report is basically the “answers in the back of the book”
 - No need to complete & submit the notorious “Summary of 2011-13 Biennium Budget” worksheets with audit transmittal (now available via BDV104 report)
- Bad News
 - Still need to input the detailed changes into the J01 version
 - Very small window of time to reconcile adjustments and submit for audit due to the upcoming Legislative session

Audit Documents



- The following documents will help in the reconciliation process
 - Analyst Report and Recommendation
 - This document is a written narrative that may include details of specific actions – see example shown on pages 7 & 8
 - Post-Appeal Memo
 - This memo is a high-level summary of changes taken after the Analyst Recommendation – see example shown on page 9
 - “New” ORBITS Report – BDV200
 - This report provides the total changes between Agency Request Budget (V01 version) and Governor’s Balanced Budget (G01 version) and will be used for audit purposes

Sample Analyst Report

Analyst Report and Recommendations

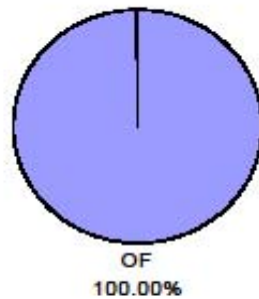
Confidential

Agency/Program: Oregon Board of Accountancy

Analyst/Phone Number: Savarro, Janet (503) 373-7607

	General Fund	Lottery Funds	Other Funds	Federal Funds	OF - NL	FF - NL	Total Funds	Positions	Full-Time Equiv (FTE)
2009-11 Leg Approved Budget	0	0	1,752,239	0	0	0	1,752,239	7	7.00
2011-13 Current Service Level	0	0	1,909,095	0	0	0	1,909,095	7	7.00
2011-13 Agency Request Budget	0	0	1,968,309	0	0	0	1,968,309	7	7.00
2011-13 Analyst Rec Budget	0	0	1,885,528	0	0	0	1,885,528	7	7.00
% Change Analyst Rec / Leg Approved	0.00%	0.00%	7.61%	0.00%	0.00%	0.00%	7.61%	0.00%	0.00%
% Change Analyst Rec / Current Service Level	0.00%	0.00%	-1.23%	0.00%	0.00%	0.00%	-1.23%	0.00%	0.00%

2011-13 Analyst Rec Budget by Fund Type 2011-13 Analyst Rec Budget by Category 2011-13 Analyst Rec Budget by Program Unit



Sample Analyst Report

BOARD OF ACCOUNTANCY

EXECUTIVE SUMMARY

The mission of the Board of Accountancy is to protect the public by regulating the practice and performance of all services provided by licensed accountants. The Board evaluates and approves licensing qualifications, registers public accounting firms, reviews and reinstates qualified practice permits and firm registrations, investigates complaints and enforces public accounting regulations through disciplinary actions.

The Board is composed of seven members who are appointed by the Governor. Five members are certified public accountants (CPAs), one member is a public accountant (PA), and the remaining member is unaffiliated with the profession. The Board appoints and reviews the work of the Administrator. It is supported by seven staff members (7.0 full-time equivalent) and is assisted by five standing committees consisting primarily of volunteer licensees. The Board is funded entirely with Other Funds, primarily supported by fees paid for professional licenses with approximately eight percent coming from fines and forfeitures assessed for violations of statute or rule.

The 2011-13 budget recommended by the analyst is \$1,885,528 Other Funds, which represents a 7.6 percent increase from the 2009-11 Legislatively Approved Budget. This budget maintains the current service level with additional expenditure limitation to address increased volume of complex complaints. Refer to Appendix A.

Major Issues

- **Public Protection and Increased Volume of Complaint Investigations:** Responding to complaints, performing investigations and resolving cases are of great importance to public safety, and must be performed in a timely manner. The number of complaints filed annually with the Board has increased substantially since the current economic recession began in 2007. The challenge is to address the most serious complaints, which often require significant investigative resources, while at the same time keeping the other complaints on track for resolution. The Board has a staff investigator who handles this workload; however, the nature of a complaint may require specific knowledge and expertise available only to the Board from outside consultants. The Board is requesting additional Other Funds expenditure limitation to hire highly skilled professionals under contract.
- **National Accounting Standards:** The accounting profession is not limited by state boundaries; rather, the professional and ethical standards to which public accountants must conform are national standards. Moreover, the public that relies on reports prepared by public accountants are not always defined by state lines. Nevertheless, licenses must also conform to the appropriate statutes and rules in each state in which they practice. State boards must find ways to maintain high levels of public protection without undue restriction on licensees.

Sample Post-Appeal Memo



Oregon

Department of Administrative Services
Budget and Management Division
155 Cottage Street NE U10
Salem, OR 97301
PHONE: 503-378-3106
FAX: 503-373-7643

MEMORANDUM

To: Patrick Hearn, Director
Oregon Board of Accountancy

From: George Naughton

Date: December 20, 2010

Subject: 2011-13 Budget: Post-Appeal adjustments

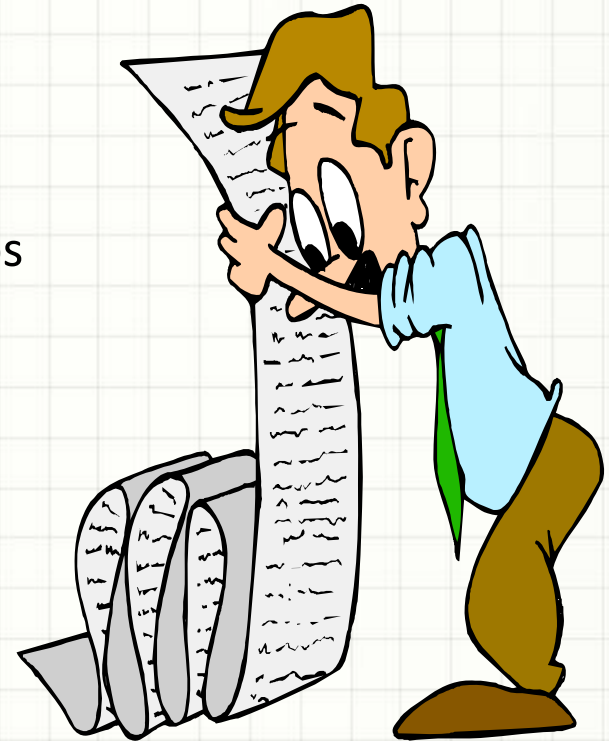
As a result of the budget appeal hearing for your agency, or Governor actions to balance the budget, changes have been made to your Analyst Recommended budget. The changes are specifically documented in the attachment (BDV200):

- The DAS and DOJ assessments were reduced in Package 086.
- An increase of limitation is included for costs associated with the new online licensing system, which was approved at the December 2010 Emergency Board meeting (see package 084).

**ALL BUDGET RECOMMENDATIONS ARE CONFIDENTIAL UNTIL
THE GOVERNOR OFFICIALLY RELEASES THE INFORMATION.**

Statewide Packages

- List of packages established statewide
 - 081 May 2010 E-Board
 - 082 June/July 2010 E-Board
 - 083 September 2010 E-Board
 - 084 December 2010 E-Board
 - 085 2009-11 Allotment Reduction Roll-ups
 - 086 Eliminate Inflation
 - 087 Personal Services Adjustments
 - 090 Analyst Adjustments
 - 091 Revenue Solutions
 - 092 Fund Shifts/Sweeps
 - 5XX Governor's Packages



Major Types of Budget Changes

- General Fund and Lottery Funds Revenue adjustments
 - Updated revenue collections from the Office of Economic Analysis December 2010 Economic and Revenue forecast
- Non-limited and Debt Service adjustments
 - These adjustments most likely made in the Base Budget
- Assessment changes
 - Includes DAS, State Data Center, Government Ethics Commission, State Library and Secretary of State
 - These changes were recorded in package 086
- Attorney General Rate reduction changes
 - These changes were recorded in package 086 and in policy packages, if requested

Major Types of Budget Changes



- Elimination of standard inflation
 - This reduction applies to standard “non-protected accounts only (including non-PICS accounts) and recorded in package 086
- Across-the-board 5.5% reduction in Personal Services
 - This reduction is not specific to an account or reduction strategy
 - Affects all agencies and all fund types
 - Agencies will use account 3465 Reconciliation Adjustment to record these values in package 087

ORBITS System

- Versions used by agency
 - J01 Agency GRB Working (DCR level)
 - Agencies will need to enter/adjust data in this version to balance to the GBB control totals from the G01 version
 - T01 Governor's Rec Pre-audit (SCR level)
 - Agencies will use this version to discover and correct any potential audit errors prior to submitting for ORBITS audit
- Screens used to input changes
 - Data entry window (base budget)
 - Package data entry window



First Steps:



- Prior to making any PICS or ORBITS changes:
 - 1) Run both the ORBITS ANA100A and ANA101A reports at the SCR level, comparing the V01 version to G01 version
 - ANA100A identifies changes to Base Budget column only
 - ANA101A identifies changes to Essential and Policy Packages
 - See report criteria selection examples on pages 15 & 16
 - 2) Run AUD100 Audit Error report out of the G01 version
 - 3) The data found in the G01 version is the control totals that agencies are required to reconcile within the J01 version

ORBITS ANA100A

- Reporting -> Analysis & Comparison

Criteria - ANA100A - Version / Column Comparison Report - Detail

Bien: 2013 Agency: 12000 Accountancy, Board of

Column 1 Version: V01 Column 1 Title: 2011-13 Base Budget

Column 2 Version: G01 Column 2 Title: 2011-13 Base Budget

Show Variances Only

Cross Reference Selection

Detail X-Ref Summary X-Ref Agencywide Single X-Ref w/Children

Available Cross Reference No

Assigned Cross Reference No

12000-000-00-00-00000	Accountancy
12000-001-00-00-00000	Accountancy

OK Cancel

ORBITS ANA101A

- Reporting -> Analysis & Comparison

Criteria - ANA101A - Package Comparison Report - Detail

Bien 2013 Agency 12000 Accountancy, Board of

Cross Reference Selection

Summary X-Ref Agencywide Single X-Ref w/Children

Available Cross Reference No	Assigned Cross Reference No
	12000-000-00-00-00000 Accountancy
	12000-001-00-00-00000 Accountancy

Package Group (All)

Package (All)

Version 1 V 01 Agency Request Budget

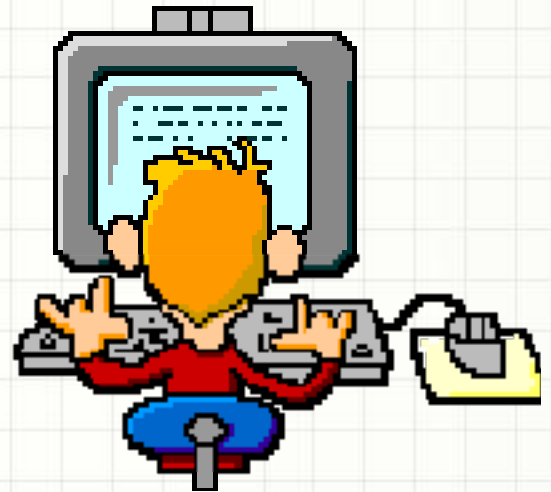
Version 2 G 01 Governor's Printed Budget

Show Variances Only

OK Cancel

How Adjustments are Displayed

- BAM Analysts made the changes at the SCR level only as follows:
 - @ Specific accounts
 - Revenue accounts (00xx – 2xxx series)
 - Special Payment accounts (6xxx series)
 - Debt Service accounts (7xxx series)
 - @ Budget Category Total
 - Personal Services (account 3990)
 - Services & Supplies (account 4990)
 - Capital Outlay (account 5990)
 - Authorized Positions (account 8190)
 - Authorized FTE (account 8290)
 - See example on page 18



ANA101A Example – Package 086

Accountancy, Board of

Agency Number: 12000

Package Comparison Report - Detail

Variances ONLY Report

Cross Reference Number: 12000-001-00-00-00000

2011-13 Biennium

Package: Eliminate Inflation

Accountancy, Board of

Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Agency Request Budget (V-01)	Governor's Printed Budget (G-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
P.S. BUDGET ADJUSTMENTS				
3990 P.S. - BAM Analyst Adjustment				
3400 Other Funds Ltd		Analyst adjustment = (3,029)	(3,029)	100.00%
SERVICES & SUPPLIES				
4990 S and S - BAM Analyst Adjustment				
3400 Other Funds Ltd		Analyst adjustment = 15,010 Post-appeal adj. = 19,120	(34,130)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(37,159)	(37,159)	100.00%
TOTAL EXPENDITURES	-	(\$37,159)	(\$37,159)	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	37,159	37,159	100.00%
TOTAL ENDING BALANCE	-	\$37,159	\$37,159	100.00%

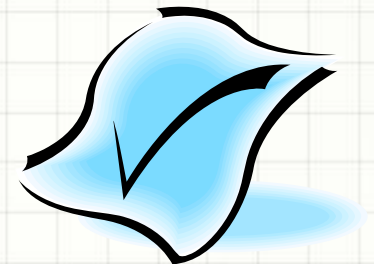
Reconciling Numbers



- If new packages were added, make the appropriate adjustments into PICS and/or ORBITS and reconcile numbers to the GBB control totals
 - Depending on how the Personal Services adjustment were calculated, the reconciliation adjustment accounts (3465, 8180 & 8280) can be used in balancing
 - If Emergency Board package was added with positions, be sure to follow the PICS Auditor instructions
- If packages were modified such as fewer positions or reduction in FTE months, make the associated PICS changes then reconcile numbers to the GBB control totals
 - Depending on how the Personal Services adjustment were calculated, the reconciliation adjustment accounts (3465, 8180 & 8280) can be used in balancing

Final Check

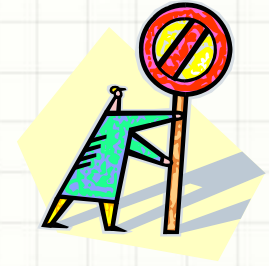
- After making all the appropriate ORBITS changes and before submitting for audit, be sure to:
 - Run new ANA100A and ANA101A reports (J01 to G01* or T01 to G01) at the SCR level and check for any remaining variances (column labeled as “Column 2 minus Column 1”)
 - **Goal = zero variances**
 - * Note: If comparison is ran from J01 to G01, do not run at the DCR level because the G01 version contains data only the SCR level
 - If any variances exist, review the changes, make the necessary corrections, and re-verify numbers by running new comparison reports



Final Check Cont'd

- Audit Errors
 - Prior to audit submission, run the Audit Error Report from a freshly created T01 version and clear up any errors
 - If there are any remaining audit errors that you believe are valid, *be sure to discuss and get approval first from the ORBITS Auditor* before submitting for audit
- Personal Services Reconciliation Worksheet
 - Be sure to document and briefly explain all reconciliation entries (accounts 3465, 8180 and 8280)
 - Use the prescribed format that is sorted by SCR, by Base and by each Essential/Policy packages
 - Refer to PICS handout for an example

Issues Not Allowed



- Beyond the actions directed in the Analyst Report and/or Post-appeal Memo, this *is not* an opportunity for applying internal reorganizations or correcting errors discovered after submittal of the Agency Request Budget
 - ***No deviations from the Governor’s Balanced Budget control totals will be allowed during this audit process***
- If errors are discovered or if proposed changes are desired, start a list of Technical Adjustments/Corrections for Legislative Fiscal Office’s review and approval
 - ***Do not include any of these proposed “fixes/changes” in your Governor’s Balanced Budget reconciliation process***

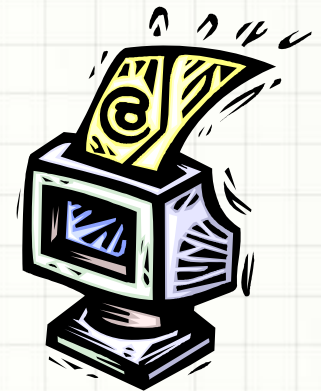
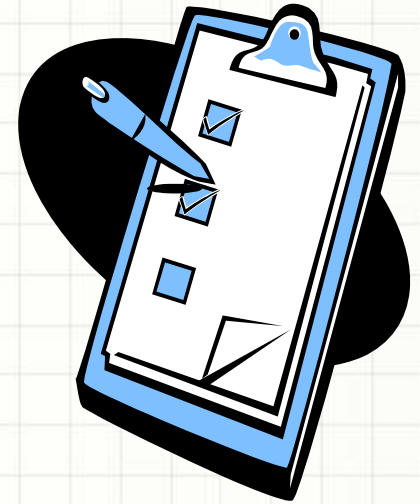


Questions

- Your assigned BAM Analyst is the best resource to determine the specific details behind the Governor's Balanced Budget for your agency
- SABRS staff members do not have any additional detailed documentation beyond the Analyst Report, the Post-appeal Memo and the ORBITS BDV200 report

Submission of Audit Transmittal

- The following items must be attached with the audit transmittal form
 - Copy of the AUD 100 Audit Error Report from the “T01” version
 - Personal Services/Position/FTE Reconciliation worksheet in the prescribed format that matches the same values in ORBITS
- The audit transmittal form with the above attachments can be emailed to: Orbits.help@state.or.us



Staff Resources

TOPIC	PRIMARY CONTACT	PHONE	SECONDARY CONTACT	PHONE
Access to ORBITS & PICS Systems	Denver Peterson	(503) 378-2227	Michele Nichols	(503) 373-1863
Allotments	Bonnie Lanning	(503) 378-8203	Michele Nichols	(503) 373-1863
Appropriation set-up/changes	Bonnie Lanning	(503) 378-8203	Michele Nichols	(503) 373-1863
CITRIX user accounts resets	Denver Peterson	(503) 378-2227	Janet Savarro	(503) 373-7607
Cross Reference Structure set-up/changes	Michele Nichols	(503) 373-1863	Denver Peterson	(503) 378-2227
ORBITS application development & testing	Michele Nichols	(503) 373-1863	Janet Savarro	(503) 373-7607
ORBITS audits	Janet Savarro	(503) 373-7607	Michele Nichols	(503) 373-1863
Permanent Finance & Limited Duration Plans	Deanne Wachtler	(503) 378-8202	Bonnie Lanning	(503) 378-8203
PICS audits	Bonnie Lanning	(503) 378-8203	Deanne Wachtler	(503) 378-8202
Policy Package set-up	Denver Peterson	(503) 378-2227	Michele Nichols	(503) 373-1863
R*Stars D04 Profile set-up/changes	Michele Nichols	(503) 373-1863	Bonnie Lanning	(503) 378-8203

Staff Hours

Janet Savarro, Section Manager	(8:00 am - 5:00 pm)
Michele Nichols, System Design & ORBITS Auditor	(7:00 am - 4:00 pm)
Bonnie Lanning, PICS Auditor	(8:00 am - 5:00 pm)
Denver Peterson, Systems Analyst	(7:30 am - 4:30 pm)
Deanne Wachtler, SABR Auditor	(8:00 am - 5:00 pm)