



DEPARTMENT OF FINANCE


Isiah Leggett  
County Executive

MEMORANDUM

Joseph F. Beach  
Director

April 16, 2012

TO: Nancy Navarro, Chair  
Government Operations Committee

FROM: Joseph F. Beach, Director   
Department of Finance

SUBJECT: Update: Status of Financial Reporting Issues in the Enterprise Resource Planning Project

The purpose of this memo is to provide the Government Operations Committee with an update on the status of Financial Reporting issues in the Enterprise Resources Planning (ERP) project.

- 1) **CAFR Completion:** The County's Comprehensive Annual Financial Report (CAFR) was published on March 29, 2012. While this was later than the normal publication date (before December 31<sup>st</sup>) the County was able to obtain the appropriate deadline extensions from the Government Finance Officers Association (GFOA) and the State of Maryland. This was the first year that the ERP system was used to produce the CAFR. Because of challenges encountered in implementation of the ERP system, detailed in the attached November 16, 2011 memo, publication of the CAFR was delayed past its regular publication date. Based on the experience gained in developing the FY11 CAFR, improvements made to the ERP system since "go-live" on 7/1/2010, and other steps being taken discussed below, we do not anticipate requiring an extension for completion of the FY2012 CAFR.
- 2) **Going Forward - Issues and Process:** The Department of Finance, in consultation with the Technology Modernization Project Office completed an inventory of system and process issues, including short-term workaround solutions, required to complete the FY11 CAFR. This inventory is currently being reevaluated for completeness, especially as it relates to short-term workarounds that require longer term solutions to address reporting and financial process issues in FY12 and beyond. We are using this inventory to systematically address remaining project issues in a priority order. We believe that this orderly and comprehensive approach to resolving remaining issues will provide not only for timely preparation of the

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FY12 CAFR, but also allow County employees to use the very powerful tools available within the ERP project to improve financial management, budget control, reporting, and provide relevant data for management decisions. Addressing such issues in a prioritized and organized manner – including prioritizing those remaining issues that had more significant impacts on the year-end closing, auditing, and CAFR preparation processes, is especially important since ultimate resolution of all issues will extend beyond FY12.

- 3) **Staffing: Backfill and vacancies:** The Department of Finance currently has 16 vacancies including 8 vacancies within the Controller's Division. Finance is working proactively with the Office of Human Resources to fill all of these positions during the balance of FY12 and FY13. In many cases we are using contractual resources to backfill these vacant positions, however, our ultimate goal is to fill the vacant positions and perform this work with in-house resources. I want to note though that the labor market for skilled and experienced accountants is very competitive with private industry usually paying significantly higher salaries than the County is able to offer under the current classification and salary structure.
- 4) **Assessment of Appropriate Staffing for the Controller's Division:** Currently my Office is conducting a comprehensive review of the structure, staffing levels, and position classifications in the Controller's Division to ensure that the Division is adequately staffed relative to its mission, especially using the new ERP system. In addition we are looking at the opportunity to repurpose some of the existing vacant positions so that they more appropriately address the staffing and resource needs of the division in serving the County Government.

I look forward to discussing these issues with the GO Committee at the meeting scheduled for April 19.

copies:

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