

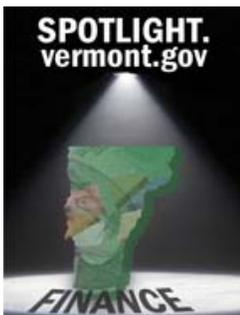
INTERNAL CONTROL NEWS

MARCH 2013

The purpose of this quarterly newsletter is to provide departments with articles on good business practices, internal controls, and responsibilities. Through articles intended to promote educational and professional development opportunities for employees, this newsletter seeks to raise awareness across state government on the importance of internal controls. We hope that by providing this array of information, we can keep you informed of internal control related activities, and help you implement and maintain effective controls in your areas of operation.

SPOTLIGHT on Fiscal Transparency

by Deputy Commissioner Susan A. Zeller



Beginning in March of 2012, Deputy Secretary of Administration Michael Clasen assembled a small group of people to hear me pitch the idea of a new financial transparency website that would be part of the State's ongoing efforts to bring greater transparency about government operation to Vermont's citizens and other interested parties. The project was approved and since I was the one pitching the idea, I became the project lead. I assembled four additional Team members, including: DII Project Manager (PM) Joanne Heath; and three folks graciously loaned to the project by the Agency of Commerce & Community Development: CMO Kathy Murphy, Kate Alberghini and David Metraux. And, so began an 8 month process of creating the design, content, narrative, glossary, charts and publication schedule for the website, officially named "SPOTLIGHT.vermont.gov." SPOTLIGHT also had the honor of being the first website built on the State's new web template to publically launch. The new template is intended to make content management easier for department staff. SPOTLIGHT was officially launched by the Governor and Administration Secretary Jeb Spaulding at a press conference on January 4, 2013 [read press release: <http://spotlight.vermont.gov/news>].

Overall, this was a fun, sometimes frustrating, but ultimately rewarding project to lead. I learned so much more on this project than solely the technical aspects of website content management. The credit for the ultimate success of SPOTLIGHT belongs to the expertise of my Team members, upfront planning, hard work, creativity and mindfulness regarding our project plan. Our PM documented everything and "pushed and prodded" us to stay on track. We used a SharePoint project site to share documentation. The process requires you to consider so many things and to make a lot of decisions before you are ready to begin building the site. This is where my Team members were invaluable. They pushed me and made me think. They helped me ask and answer a myriad of questions, create a site map, figure out new ways to collect, assemble and show data. They helped with the technical interface to DII's web portal folks. My Team members were so creative...they were just great!

I would recommend to all departments looking to update your existing website or create a new one to use a project manager and create a project plan, and be ready to do the upfront brainstorming and planning work necessary. It may take longer than you think. But, in the end, it will result in a more successful launch, with easier initial content loading and on-going content management, with no late-stage project “gotchas.”

Why did we need a new website when so much information is already available on State websites? I think the SPOTLIGHT homepage says it all:

“Welcome to SPOTLIGHT Vermont.gov, the State of Vermont’s new financial transparency website sponsored by the Agency of Administration and maintained by the Department of Finance & Management. Financial transparency supports government accountability and allows citizens to see “Where the Money Comes From” that is used to operate State Government and “Where the Money Goes” when it is spent. Much of the initial information on this website was previously available...if you knew which website to access, where to look, and which report to select. Many of the charts, tables and reports previously available used acronyms and terminology that may have been confusing or unclear to our citizens and other users. Our goal in creating this website was to consolidate existing financial information in one easy-to-find, easy-to-access and user-friendly website, and to educate and inform Vermonters. We believe that SPOTLIGHT Vermont.gov meets these goals.”

There are other transparency sites already launched and linked to SPOTLIGHT such as:

- Governor’s Dashboard [<http://governor.vermont.gov/govdash>];
- Agency of Administration’s “Let the Sun Shine In” webpage [<http://aoa.vermont.gov/SunShineIn>];
- Governor’s Strategic Plan [[http://aoa.vermont.gov/sites/aoa/files/S-W%20Strategic%20Plan%20Final%20V5 Dec 17 2012.pdf](http://aoa.vermont.gov/sites/aoa/files/S-W%20Strategic%20Plan%20Final%20V5%20Dec%2017%202012.pdf)].

Additional content is planned for SPOTLIGHT and we hope other Agency of Administration departments will contribute to SPOTLIGHT. We encourage you to visit SPOTLIGHT.vermont.gov, and let us know what you think.

It’s Back...



The Department of Finance & Management plans to issue the 9th annual **Self-Assessment of Internal Control** in April 2013. By raising awareness of internal controls, responsibilities and best practices, Self-Assessment is a catalyst for strengthening the State’s system of internal control and achieving business objectives.

Changes to this year’s questionnaire include the addition of a new “Budgeting” section. As with past years, departments will be given approximately three weeks to complete, review, certify and submit the questionnaire.

Writing Procedures

If this snazzy title hasn't put you asleep (or scared you away), then hopefully this article provides some food for thought for those with the responsibility for writing procedures.



The terms "policy" and "procedure" are often used interchangeably but there are differences. Generally, policies are the responsibility of executive management (e.g., secretaries, commissioners, directors), while mid-level managers and supervisors are responsible for procedures. Often procedures are linked to policies; this connection may be explicit (e.g., a procedure to implement a policy) or it may be less obvious, but either way it's important to ensure procedures do not conflict with any governing policies or other authoritative documents such as statutes, administrative bulletins, etc..

Policies guide decision-making by outlining the rules - DOs and DON'Ts - of an organization or process, whereas procedures are the HOW TOs. By defining the scope and limits of acceptable actions, policies provide the framework for lower level managers to develop procedures, make day-to-day business decisions and resolve problems without needing to constantly consult with top-level management. Procedures teach (or remind) employees how to perform a specific task by communicating the detailed instructions needed for success. Consider this analogy:

- **Policies are the “road signs”** that lay out the rules of the road - speed limit is 35 mph, no passing zone, stop ahead, pay toll, one-way street, etc.
- **Procedures are the “GPS”** that gives precise directions to drive from Point A to Point B...but you still must obey the road signs (i.e., policies)

Managers and supervisors are encouraged to view written procedures as "peace of mind" insurance for when something unplanned occurs within their areas of responsibility. For experienced, knowledgeable employees the value of written procedures may not be obvious. But what happens when there is employee turnover, new employees, or unexpected absences that result in others having to perform unfamiliar tasks? During times of transition and change, it's reassuring to know there are written procedures to assist staff and keep operations functioning as smoothly as possible.

Written procedures aren't necessary for every aspect of your operations and one of the first questions you should ask is...**does this process/task need a procedure?** Written procedures are highly recommended for activities with any of these characteristics:

- Complex and/or lengthy (e.g., year-end closing);
- Demands consistency across the organization (e.g., employee benefits);
- Routine but essential that precise steps, rules, timelines, etc. are followed (e.g., Payroll);
- Serious consequences if done wrong (e.g., matters of health & safety);
- Requires a high-level of documentation (e.g., employee performance/discipline);
- Significant change (e.g., new technology/software);
- Recurring errors that appear preventable or employees repeatedly asking the same questions (i.e., confusion);
- Unacceptable variability in how a task is being performed (while some leeway can be beneficial, too much can increase risk).

Here are some **tips** for writing effective procedures:

- ✓ Standardized format (headers, numbering, layout, etc.) for ease of use and consistency;
- ✓ Write to the appropriate skill level; for example, if employees are expected to have Excel experience, it's not necessary to include detailed instructions about Excel basics;
- ✓ Ensure any use of jargon and acronyms is explained *or* common knowledge to the users;
- ✓ Action oriented...the objective of a procedure is to accomplish something;
- ✓ Write steps in the order that they must be done, including timelines as appropriate;
- ✓ If appropriate provide flexibility to allow for professional judgment and discretion;
- ✓ Avoid including information that may be quickly outdated (e.g., employee names);
- ✓ Do not attempt to cover every "what if" scenario but do address variables that routinely occur (e.g., payment amount is incorrect, impact of holidays);
- ✓ Use lots of white space, bullets, lists, section headings, etc. to organize content;
- ✓ Avoid too many words but don't sacrifice clarity on critical steps;
- ✓ When applicable include a "checklist" as a control to ensure critical steps are completed;
- ✓ Ensure procedures are readily accessible to all that may need them;
- ✓ Test accuracy/completeness by having someone unfamiliar with the process (but with the requisite skills & experience) try to perform the task using the written procedure;
- ✓ Periodically review existing procedures to ensure their validity, revise as necessary.

Written procedures help people and processes to function better, achieving the desired results for an organization. When employees know *what to do*, *how to do it*, and *when to do it*, it can reduce frustration and save time, effort and most likely money.

Staff Happenings



- **Katie Authier** joined the Payroll Section in February as a Payroll Specialist II. Katie is new to State government having most recently worked in the private sector.
- **Doreen Chambers** joined the Accounting Section in February as a VISION Financial Analyst II. Doreen has worked for a number of years in State government, most recently for the Green Mountain Care Board.
- **Amy Connelley**, former Payroll Specialist, has left the Dept of Finance & Management.
- **John Hayes** joined the Payroll Section in February as a Payroll Specialist IV. John is new to State government having most recently worked in the private sector.
- **Tina Rich**, former VISION Financial Analyst I, has been promoted to a VISION Financial Analyst II position in the Accounting Section.
- **Michelle White**, former VISION Financial Analyst II, has been appointed to the new Assistant Director of Statewide Accounting position.

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Please contact [Kevin Gilman](#) with comments or suggestions.