



MEMORANDUM

TO: Members, Select Committee on Capital Financing & Investments
Members, Joint Appropriations Committee

FROM: Dawn Williams, Deputy State Treasurer

DATE: April 15, 2022

SUBJECT: Workflow Automation Report, April 2022

Pursuant to 2022 Wyoming Session Laws, Chapter 51, Section 2, Section 004, Footnote 9, I provide the following information:

- (i) *The status of and any expenditure regarding project plan milestones and deliverables achieved or missed for accounting workflow automation.*

For the last two years, the State Treasurer's Office has been aggressively pursuing modernization and upgrade of the investment accounting software. In December 2021 we contracted with Broadridge to begin the process. We have aligned our transition to the new system to coincide with the beginning of the new fiscal year and biennium, July 1, 2022. The upgrade will occur in three phases. Phase I will establish a new chart of accounts, establish manager and custodial data feeds and generally lay the groundwork for the new system. During Phase II we will fine-tune data aggregation and reconciliation processes, create the directives module, and refine the distributions process. Items in Phase II are being developed as we move through Phase I, but they will not be finalized until after the go-live date of July 1. (Attachment A) We are anticipating a third phase to include upgrades and services that we become aware of during implementation of Phases I and II that will bring value to the overall success of the project.

The main tasks for Phase 1 of this project are progressing and are on-track for the July go-live. (Attachment B)

- The vendor is now receiving custody data from JPMorgan on a daily basis and the development work to load the data for use in the accounting system is in-progress.
- The Fund Data Conversion (new Chart of Accounts) is progressing well. The data is being converted to streamline the manager and pool allocation configuration and to transfer the accounting data into the new configuration.
- The requirements gathering is in-progress for the report/process improvements within Phase 1. We have reviewed multiple Business Requirement documents and the vendor's development work has begun.

Expenditures to date: \$0



DAWN A. WILLIAMS, DEPUTY STATE TREASURER

- (ii) *The status of and any expenditure regarding project plan milestones and deliverables achieved or missed for the order management system (OMS).*

On February 1, 2022 the State Treasurer's Office entered into a contract with Bloomberg Finance to provide an order management system (OMS). An OMS is a software system that facilitates and manages the execution of trade orders. This system will interface with the accounting software. We have established our go-live date as August 15, 2022 which will allow us to pace the rollouts of the accounting system and the OMS. The project is developing well. (Attachment C)

- The setup and configuration of the system is on schedule, and the administrators are learning the processes to support the new system.
- The setup and connectivity to the custodian, the brokers and the DTCC system are continuing with no issues.
- The vendor is receiving the custody data from JPMorgan daily, and the process to load the data for use in the OMS is in-progress.
- The compliance rules have been drafted and are being setup in the system.

Expenditures to date: \$140,531.25

- (iii) *The status of and any expenditure regarding project plan milestones and deliverables achieved or missed for contractual accounting assistance.*

At the end of January 2022 our office retained KPMG, a top accounting firm, to assist us with reconciling investment accounts, and additionally to provide observations and recommendations for improving our processes and procedures related to investment accounting. So far, KPMG has spent most of its time learning our business to meaningfully assess our needs but has recently begun to complete the reconciliation process for a manager. KPMG places great emphasis on processes and mapping and has been challenged by the number and types of issues we encounter. (Attachment D)

Expenditures to date: \$22,201.25

Cc: Treasurer Meier