



## NIVACK CASE STUDY

**STATE OF CALIFORNIA CENTER  
IMPROVES SPEED AND  
QUALITY OF DECISION-MAKING  
BY IMPROVING FINANCIAL  
REPORTING CAPABILITIES**

### CLIENT OBJECTIVE

**MORE ACCURATE, MORE  
TIMELY FINANCIAL REPORTS**

The NiVACK Group designed and aided in the implementation of a financial control that enabled a public sector governmental entity to quickly and independently produce accurate monthly financial statements while improving the financial acumen of control operators.

### THE COMPLEX PROBLEM

Governmental managers have a fiduciary obligation to responsibly manage public resources. How can they do that if it takes months before they learn how much revenue or expenditure they have earned or incurred? Moreover, how can they responsibly manage public resources if they can't rely on the financial reports they do get?

Our public-sector (government) client had strategic finance objectives, but they relied on a quasi-external, inter-departmental accounting entity to create and share financial reports. These externally-provided reports were not timely; they were available just once a year, 4-6 months after the period ended. Furthermore, they were not accurate; transactions were constantly misclassified and adjustments were always necessary. These challenges severely impacted our client's ability to make confident data-based decisions and forced our client to conservatively manage expenditures by avoiding major purchases and freezing all hiring decisions, which led to a vicious cycle that contributed to poor employee engagement, inefficient utilization of resources, and an increasingly frustrated management team. To compound matters, the client's staff had very little time or capabilities to correct these challenges.

# Financial Reporting Capabilities

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### THE SOLUTION

- The NiVACK Group designed and assisted in the implementation of a financial reporting control that is operated by client's staff once a month to provide high-quality financial reports on the very day that the transactional data becomes available.
- Enabled the client to independently produce financial reports at any time, without having to wait for the interdepartmental accounting team to provide reports that are months late.
- This control can be operated by client staff with little to no training, and is accompanied by a set of instructions that enable the control operator to easily perform the control.
- Crucially, since the control relies on the same transactional accounting data that Accounting uses, the reports the client now independently produces can be reconciled with the interdepartmental Accounting team's reports to identify any errors in the latter reports and proactively correct them to avoid complications down the line.

### THE IMPACT

- **Readily available, decision-enhancing information.** Management, legislative and oversight officials, and other stakeholders now have access to higher quality, more accurate, and more timely information concerning financial performance for this entity. Management in particular is now able to make assessments and decisions relevant to their interests and the support of their long-term strategic objectives.
- **Financial reports in hours, not months.** Client now has access to timely financial reports which inform decisions and lead to higher-quality outcomes.
- **The power to investigate discrepancies and inconsistencies.** Additionally, client has the ability to investigate revenues and expenditures at the account-level all the way down to individual transactions. This enables them to correct inaccurate reports from the interdepartmental Accounting team.
- **Financial literacy.** Financial acumen has also increased, as have standards around financial controls and process documentation.
- **Fixing old mistakes.** The NiVACK Group identified that hundreds of transactions have historically been misclassified, which has contributed to the low-confidence in reports. For example, Building Rent expenses were recorded as 'Technical Expenses' for years before our team came along. This impacted Management's ability to analyze and respond to expense trends, thereby lowering the value of financial reports.

### CASE HIGHLIGHTS



#### TIMELY REPORTING

Client can now access financial reports in hours, not months.



#### DETAILED ANALYTICS

NiVACK helped enable the client to analyze transactions at a more granular level.



#### FINANCIAL ACUMEN

Improved the financial literacy of client staff.



#### ACCOUNT CLASSIFICATION

Identified and helped correct transaction account classification errors.



"We used to get a financial report once a year, about 4-6 months after the period ended. Now, we get create our own financial reports within a day or two of when each accounting period closes."



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