

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-102/Expenditure Examination

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I. Goal

The primary goal of the program is to ensure that the State's payments conform to established standards of propriety and legality and are made promptly.

II. Objectives and Policies

- A. To ensure that payments conform to existing laws, administrative rules, executive orders, and are proper.
- B. To ensure that payments are made promptly, the program will explore various options that may expedite the payments to contractors, vendors, employees, and third party payees.

III. Action Plan with Timetable

- A. Objective/Policy #1 – The program has determined that knowledge of existing laws, administrative rules, and executive orders is not the standard in all departments due to staffing reductions and retirements.
 - 1. Required Action – The program will update training materials for contract processing.
 - a. Meet with State Procurement Office staff to confirm program's application of the Hawaii Administrative Rules as they pertain to source selection, use of HIePRO, etc.
 - b. Meet with the Department of Attorney General's staff responsible for contracts and contract forms for the purpose of replacing existing Comptroller's Memorandums related to contracts.
 - c. Meet with the Department of Accounting and General Services Administrative staff to determine issues that should be addressed in the updating of the training materials.

2. Required Action – The program will review State and Federal laws for any changes to reporting requirements and will review ERP requirements as reflected in the “requisition to payment” segment of the ERP.
 - a. Determine if Comptroller’s Memorandums need to be issued to inform departments and agencies of any changes to implement any new requirements.
 - b. Determine if changes in reporting requirements involve form revisions to allow for new reporting requirements which would be met by AGS 101 – Accounting System Development and Maintenance Program.
 - c. Determine how current procedures and processes will be impacted with the ERP.
3. Implementation Timetable
 - a. Past Year Accomplishment – The program has been reviewing problems/issues relating to contract processing. Due to staffing issues, the program has not completed its review.
 - b. One Year – Begin meetings with the Department of the Attorney General’s staff and review the current contract forms to determine if any changes to contract encumbrance, payment and reporting procedures are required. Participate in training/meetings with ERP functional lead of the “requisition to payment” module.
 - c. Two Year – Implement any changes that may be required and provide training, as required. Continue to participate in the ongoing ERP module for contracts and payments.
 - d. Five Year – Perform global review of existing contract and vendor payment processing procedures to confirm existing laws, rules, and orders are being complied with and reporting procedures are met or required to be modified. Participate in the development/implementation of the State’s new enterprise-wide financial system.
- B. Objective/Policy #2 – Prompt payment of the State’s contractors, vendors, third party payees, and State employees.
 1. Required Actions – The program will continue to maintain five working day turnaround for the State’s contractors and vendors.

- a. Determine whether current pre-audit procedures need to be revised for any changes impacting the program's "Objective/Policy #1" and formulate changes that may be required by the ERP project.
 - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit responsibility.
2. Required Actions – The program will continue to participate in the Enterprise Resource Planning (ERP) Project with the Central Payroll supervisor as the payroll functional lead.
 - a. Determine how current pre-audit procedures will need to be revised for any changes due to the ERP.
 - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit responsibility and are required by the ERP.
3. Implementation Timetable
 - a. Past Year Accomplishments – The ERP project has required the program to review current payroll practices and processes and to review possible impacts to the contract and vendor encumbrance and payment processes.
 - b. One Year – Program staff will assist in user documentation reviews and training.
 - c. Two Year – Begin/continue implementation of all other departments and agencies.

IV. Performance Measures

- A. Customer Satisfaction measure – Departmental personnel responsible for contracting and vouchering will be provided clear and consistent guidelines and hopefully reduce frustration from rejected contracts and payments.
- B. Program Standard measure – Number of "Audit Correction Slips" issued after issuance of new policies and procedures.
- C. Cost Effectiveness measure – Timely contract encumbrances and reduction in late interest payments.