

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. Consult 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. Consult 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. Consult and 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 participate in the development and implementation of the new payroll, time and attendance and financial systems.
    - 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 policies, procedures and processes will be impacted with the new payroll, time and attendance and financial systems.
  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. Participated in the go-live of the Time and Leave payroll modernization phase II and stabilization of the enterprise payroll system Hawaii Information Portal (HIP). Participated in the standardization of the Uniform Chart of Accounts (UCOA) to assist in the implementation of the new financial accounting system.
    - b. One Year – Consult with the Department of the Attorney General’s staff and review the revised contract forms to determine if any changes to contract encumbrance, payment and reporting procedures are required. Implement any changes and provide training as required with the implementation of the new payroll system. Participate in the development and implementation of the new time and attendance system and the procurement of the new financial accounting system.
    - c. Two Years –Participate in trainings and meetings with functional and operational process groups for the new financial accounting system.
    - d. Five Years – 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. Develop business processes for the new financial accounting 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 new financial system.
  - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit’s responsibility.
2. Required Actions – The program will develop policies and procedures to accept electronic invoices. The program will also develop policies and procedures relating to acceptance of electronic signatures on contracts.
  - a. Determine how current pre-audit procedures will need to be revised for any changes due to the new payroll and probable financial systems.
  - b. Implement any changes in pre-audit procedures that do not negatively impact pre-audit’s responsibility and are required by the new payroll, Time and Attendance and accounting financial systems.
3. Implementation Timetable
  - a. Past Year Accomplishments – Released Comptroller’s Memorandums on updated compliance and revised business processes. Provided continuous training and reinforcements of new payroll processes and compliance through monthly Teams meetings.
  - b. One Year – Review and implement any changes resulting from the implementation of the new Time & Attendance program. Assist in the procurement and requirements for the new financial accounting system.
  - d. Two Years – Monitor and update business processes and provide training resulting from the implementation of the Time & Attendance program. Assist in the implementation of the new financial accounting system.
  - e. Five Years- Establish statewide payroll and payment policies and procedures and provide training for conformity for the payroll, Time & Leave and the new financial accounting system.

#### IV. Performance Measures

- A. Customer Satisfaction measure – Departmental personnel responsible for contracting and vouchering will be provided clear and consistent guidelines and hopefully reduce resubmission from rejected contracts and payments.

- B. Program Standard measure – Number of “Audit Correction Slips” issued after issuance of new policies and procedures. The Audit Correction Slip is a notification to the department to validate why the contract, vendor payment, forms, etc. were returned and could not be processed.
  
- C. Cost Effectiveness measure – Timely contract encumbrances and reduction in late interest payments. In addition, reduction of salary overpayments.