

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 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. #1 - To ensure prompt payment to contractors and vendors, the program is reviewing the use of the automated clearing house (ACH) method to further expedite payments to contractors, vendors, employees, and third party payees.
- B. #2 - To ensure prompt payment of the State's payroll, the program is reviewing the possibility of developing a process whereby department personnel could enter payroll data from their worksite instead of the data being submitted for keypunching at a central location.

III. Action Plan with Timetable

- A. Objective/Policy #1 - To ensure prompt payment to contractors and vendors, the program is reviewing the use of the automated clearing house (ACH) method to further expedite payments to contractors, vendors, and employees.
 - 1. Required Action - Use of the automated clearing house (ACH) method would require the following:
 - a. The program will need to work with the Financial Administration Division of the Department of Budget and Finance on the possible conversion to ACH while resolving any problems that may arise with the established check cashing functions since it is responsible for the treasury operations of the State.

paper for reporting employee actions in line with the system changes being made by the DHRD-AA.

3. One Year - The program will meet with ICSD's payroll project team to determine what system requirements must be made to the payroll system to achieve the objective. The program will also meet with the Systems Accounting Branch to determine what procedure changes and forms changes will be needed to carryout departmental input of payroll data.
4. Second Year – The program will begin to finalize all changes necessary to the existing procedures and forms for the data entering at departmental level and new procedures to review transactions in the Central Payroll.
5. Five Year – Review existing payroll system and determine if a new system more compatible to the DHRD's system should be sought.

IV. Performance Measures

A. Customer Satisfaction measure

1. The change to ACH method of payment will reduce the time in which contractors, vendors, employees, and third party payees (i.e. welfare recipients, unemployment benefits claimants, tax refunds) need to wait prior to receiving their checks.
2. A survey of departments and agencies will be undertaken to confirm whether the elimination of paper payroll change schedules have lessened the workload on the State's payroll staff and whether the change has reduced errors and overpayments.

B. Program Standard measure

1. The program will still be able to pay contractors and vendors within the established 30 days standard. A majority of private sector companies use the 30 days guideline to determine whether interest will be charged for late payments.
2. The elimination of paper submittals will allow the program to use its reduced staffing more efficiently by allowing pre-audit reviews and releases on-line with no paper documents being sent to and from keypunching.

- C. Cost Effectiveness measure – The program anticipates reduced expenditures for check stock, payroll change schedules, and postage.