

State of Georgia

Project IMPROVE Department of Education Accounts payable process

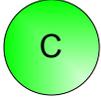
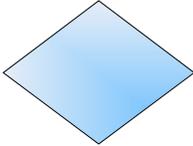
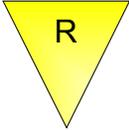
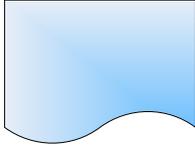


Process: Department of Education (“DOE”) Accounts Payable (“AP”) Summary

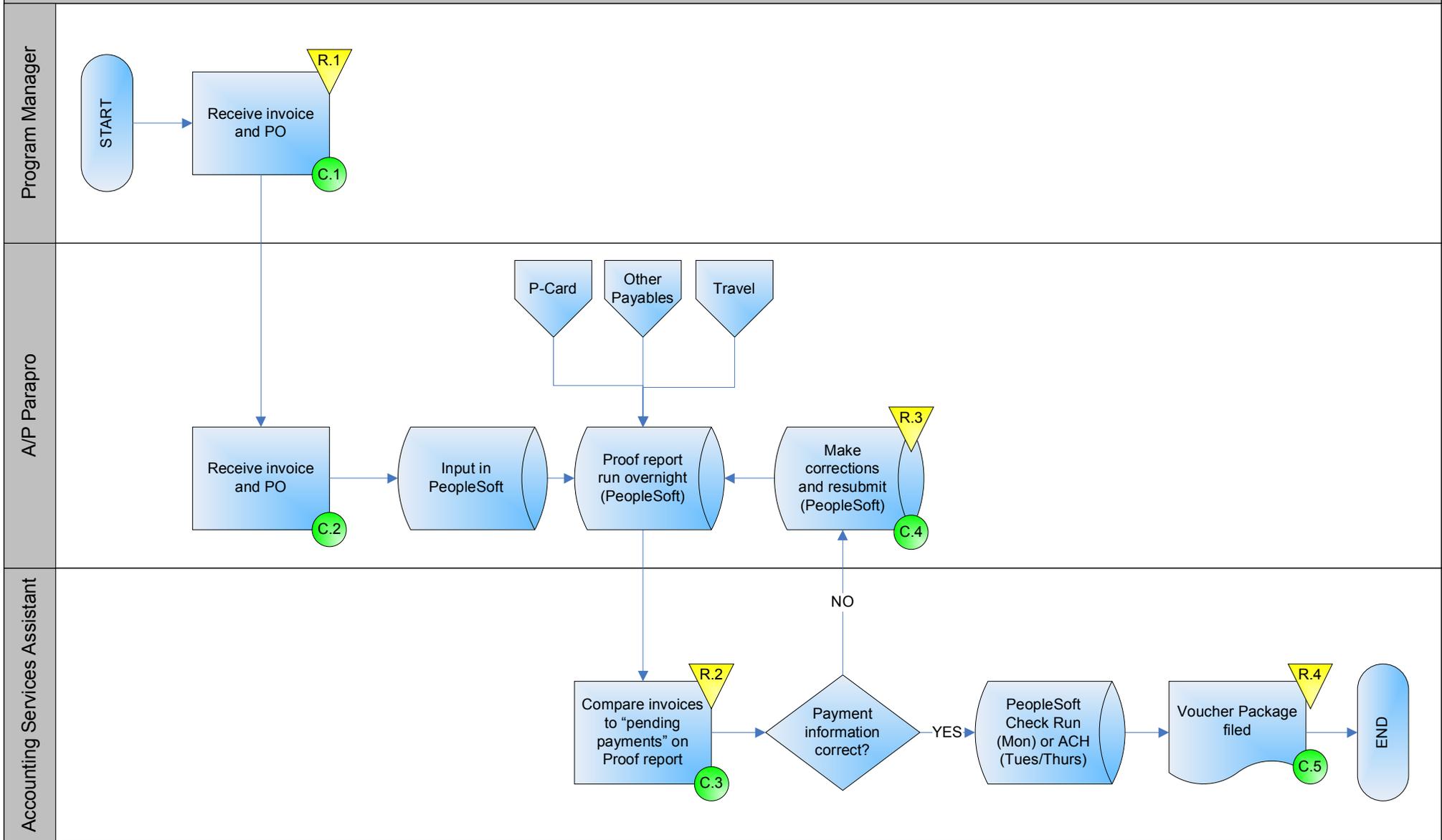
<p style="text-align: center;">Scope</p>	<ul style="list-style-type: none"> • The Department of Education's AP process involves the disbursement of routine payments through PeopleSoft. P-card expenses are submitted by users in the "Works" system and travel request in Lotus Notes database. The "Works" system and Lotus Notes interface with PeopleSoft daily. Other payables received manually by the department include telecom, utilities, trust accounts, contracts, and non-routine payments.
<p style="text-align: center;">Sub-processes</p>	<ul style="list-style-type: none"> • Accounts Payable • P-Card • Other Payables • Travel
<p style="text-align: center;">Departments Involved</p>	<ul style="list-style-type: none"> • Accounts Payable • Accounting Services • Budget Office • Program Department
<p style="text-align: center;">Systems</p>	<ul style="list-style-type: none"> • Works • PeopleSoft • Lotus Notes

Process: DOE Accounts Payable

Legend

Symbols		Start/End of process		Off- page reference		Control
		Decision point		System interface		Risk
		Process		Document		
Acronyms	<p>ACH – Automated Clearing House</p> <p>AP – Accounts Payable</p> <p>DOE – Department of Education</p> <p>PO – Purchase Order</p>					

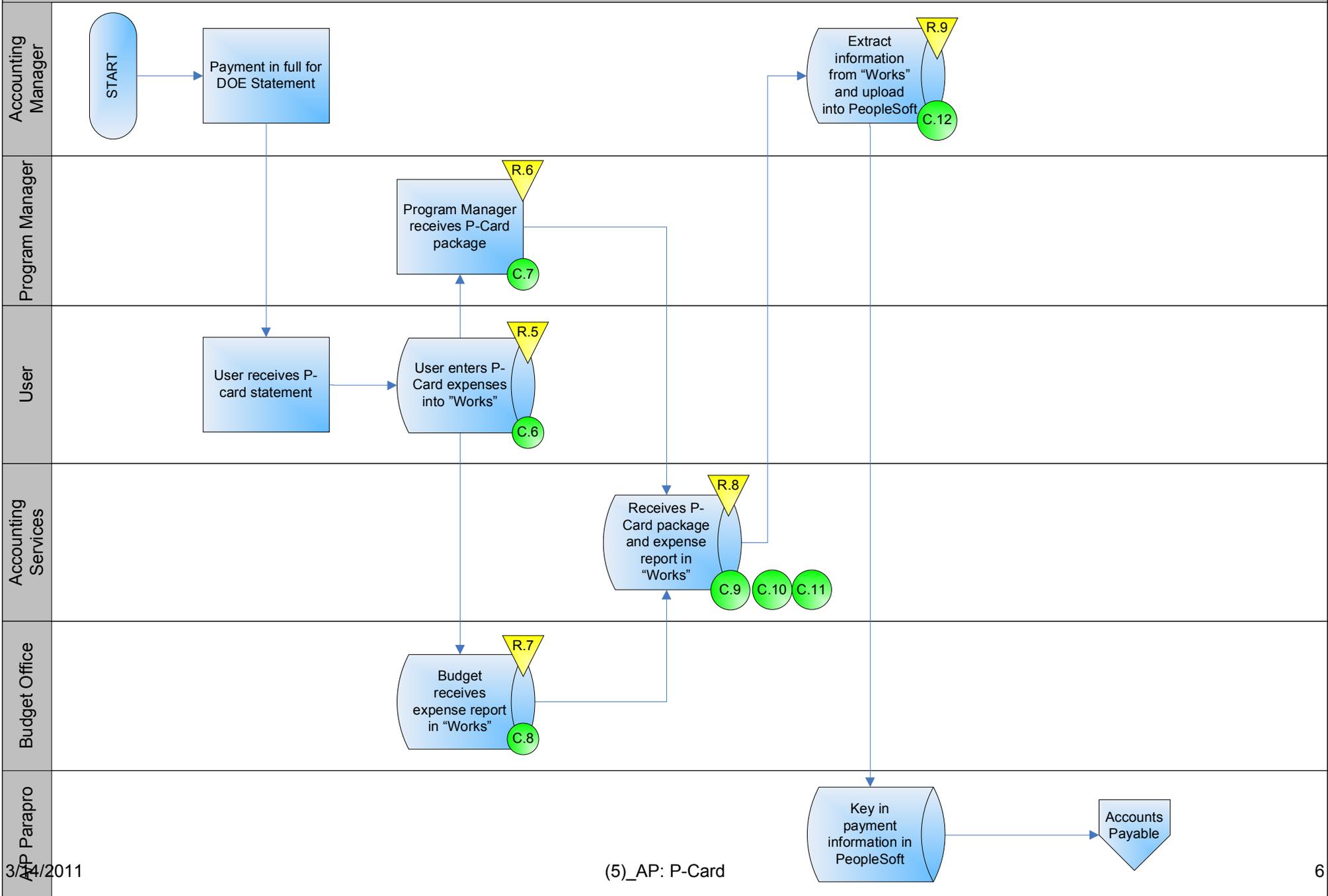
Process: Accounts Payable
 Sub-process: Accounts Payable



Process: Accounts Payable
Sub-process: Accounts Payable Risks and Controls

Risks	<p>R.1: Incorrect item/price/quantity of goods or services received, resulting in inappropriate disbursement of funds. R.2: Incorrect or unapproved disbursements from the Peoplesoft "Proof Report," resulting in loss of State funds. R.3: Inappropriate or unapproved disbursements to vendors, resulting in loss of funds for the State. R.4: Inability to obtain transaction support in the event a dispute/question arises from the supplier or State program department.</p>
Controls	<p>C.1: Program Manager reviews invoice, PO, and receiving documents (if applicable to transaction) to confirm the receipt of goods/services rendered prior to submitting to Accounting Services. C.2: Accounts Payable Parapro reviews invoice, PO, and receiving documents (if applicable to transaction) to confirm proper approvals have been obtained and correct accounting codes are utilized. C.3: Accounting Services Assistant reviews payments in Proof Report to confirm disbursements are appropriate and correct. C.4: Accounting Services Assistant submits payments with errors to the A/P Parapro who makes the necessary corrections in PeopleSoft and resubmits the transaction for payment. C.5: Accounting Services Assistant files voucher package (by voucher #) with supporting evidence of payment, as required by type of payment.</p>

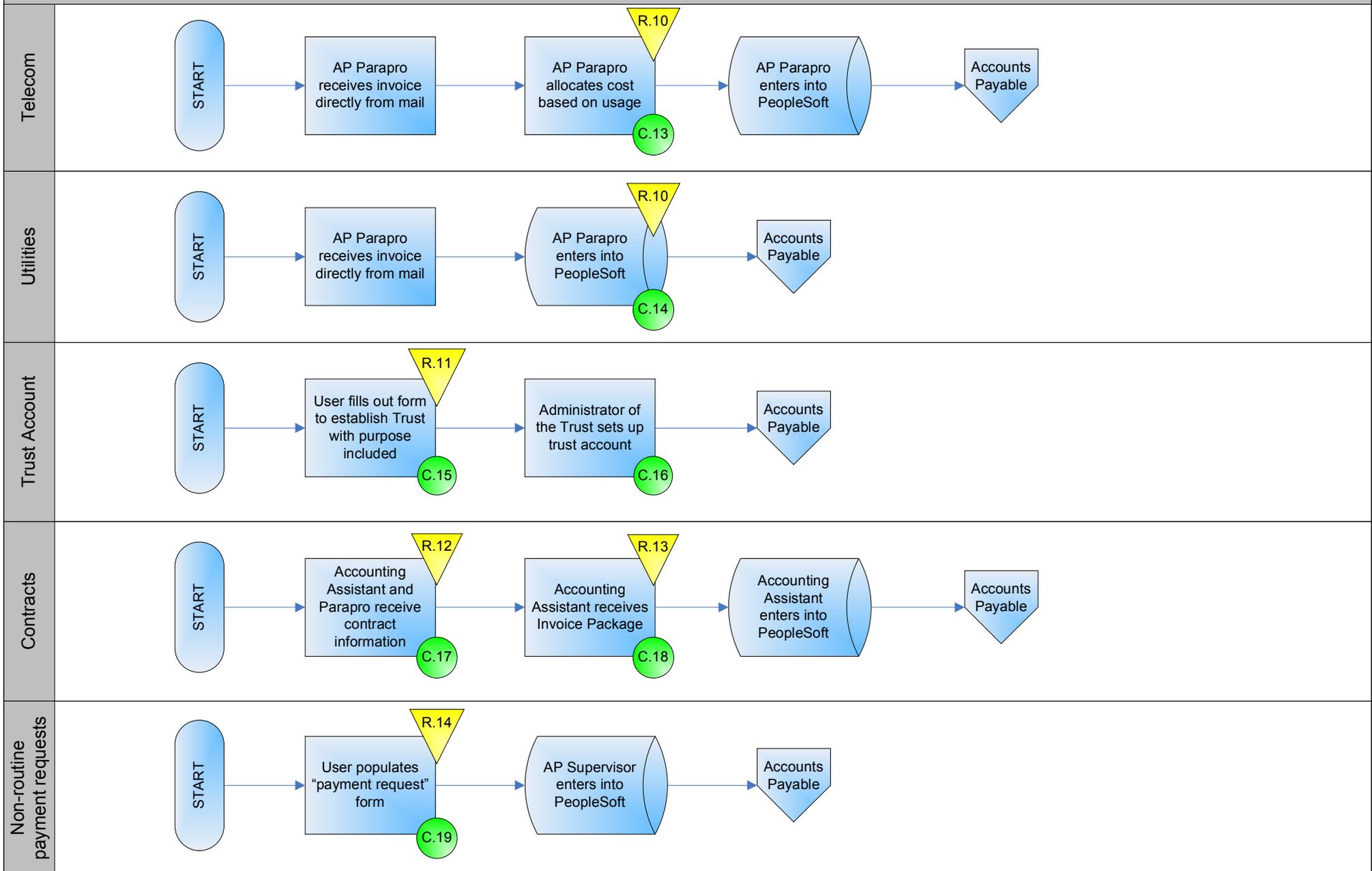
Process: Accounts Payable
Sub-process: P-Card



Process: Accounts Payable
Sub-process: P-Card Risks and Controls

Risks	<p>R.5: User enters incorrect expense amounts in the Works system, resulting in over/under payment of reimbursements.</p> <p>R.6: Expense type/amount not in compliance with program policy, resulting in loss of funds.</p> <p>R.7: Incorrect funding codes utilized/lack of funds in budget, resulting in budget errors.</p> <p>R.8: P-card package/expense report incorrect/inaccurate resulting in over/under payment of reimbursements.</p> <p>R.9: Data transmission errors resulting in inaccurate reimbursement payments.</p>
Controls	<p>C.6: User confirms accuracy of accounting codes and allocation amounts and signs-off in Works system (electronically), which auto-routes the expense report to the Budget Office.</p> <p>C.7: Program Manager signs-off on P-Card package upon review of supporting documentation (bank statement, invoices, signatures), to confirm the expenses are within policy prior to sending to Accounting Services for payment.</p> <p>C.8: Budget Analyst signs-off (electronically) in Works after confirming the expenses are within the established budget and the correct funding codes are used (Expense Report routed to Accounting Services in Works upon sign-off).</p> <p>C.9: Accountant cannot view/upload information from Works to PeopleSoft until Budget Analyst has signed-off on the expense report.</p> <p>C.10: Accountant reviews expense report in Works to confirm the accuracy of the data to the supporting package, confirming the correct account codes are used and information is complete as needed for upload to PeopleSoft.</p> <p>C.11: Accountant confirms the "P-card package" containing P-card statement, invoices, receipts, and Program Manager sign-off is complete and documented appropriately.</p> <p>C.12: Accounting Manager reconciles the Bank Statement to the Batch Report from PeopleSoft (monthly).</p>

Process: Accounts Payable
 Sub-process: Other Payables



Process: Accounts Payable
Sub-process: Other Payables Risks and Controls

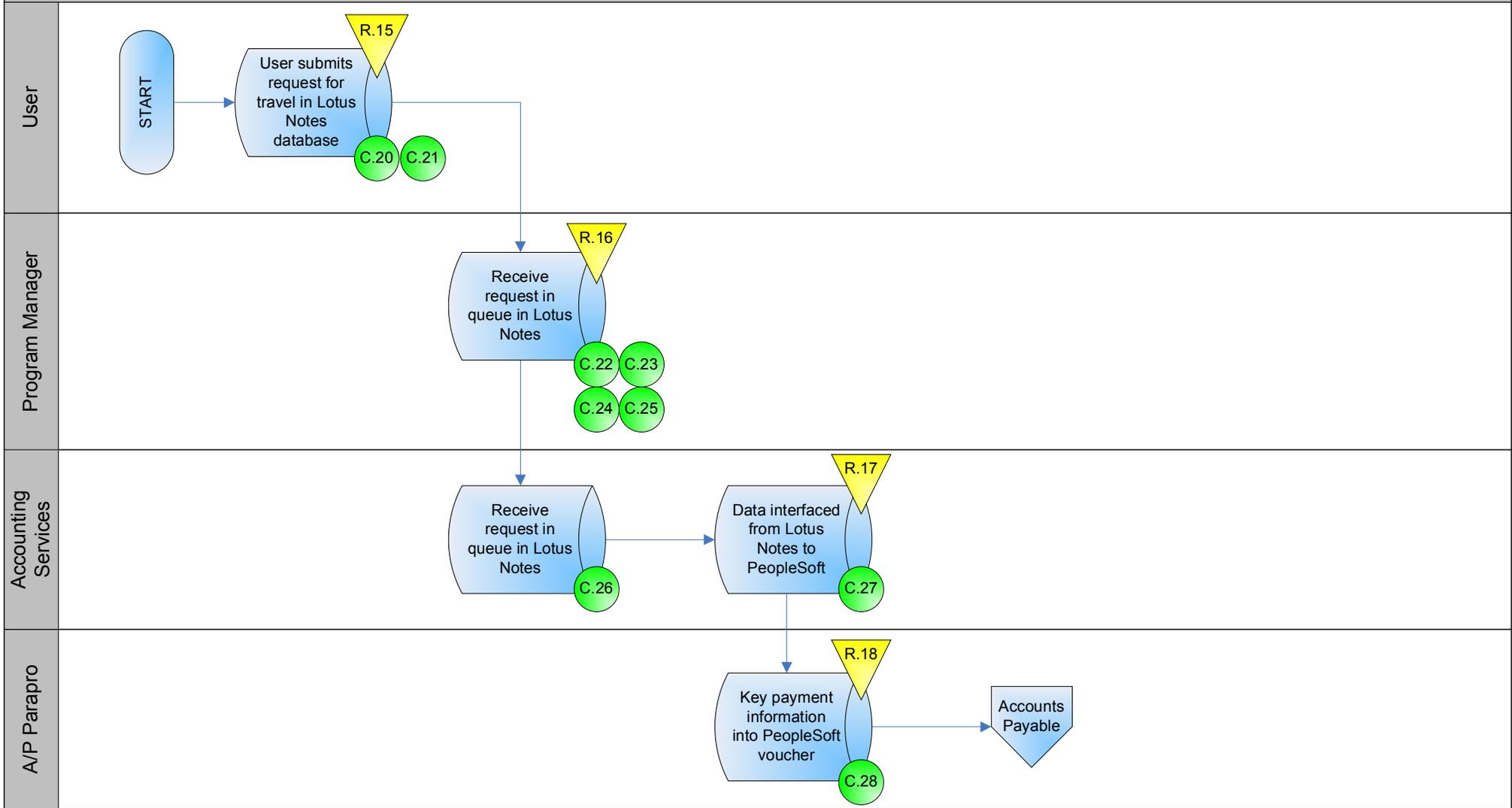
Risks

- R.10: Improper cost allocation utilized resulting in inaccurate billing.
- R.11: Unnecessary or inappropriate trust account created, incurring unnecessary time and inappropriate funds transfer.
- R.12: Contract contains incorrect information or unapproved terms and conditions, resulting in incorrect disbursement of funds.
- R.13: Invoices to be processed for contractual agreements are not in compliance with the terms of the contract resulting in misuse of funds.
- R.14: Employee requests payment/reimbursement for fictitious or unapproved disbursements, resulting in loss of State funds.

Controls

- C.13: Georgia Building Authority confirms appropriate billing/allocation, using the allocation breakout in the system along with corresponding department codes.
- C.14: AP Parapro reviews bill and enters into PeopleSoft to confirm proper payments.
- C.15: Associate Superintendent to Finance approves trust form to confirm trust account request is complete/necessary.
- C.16: AP Parapro (serving as administrator of the Trust account) maintains trust balances, continuously monitors for funding deficiencies, and confirms the use of trust funds is in compliance with trust requirements.
- C.17: Accounting Assistant pulls detail from Lotus Notes database and compares transaction detail (e.g. vendor invoices) to contractual terms/conditions to confirm the transaction nature, amounts, dates, and approvals are appropriate.
- C.18: Accounting Assistant compares invoice package to the original contract to confirm the payments are within the terms and conditions of the contract and files all invoices with the related contract.
- C.19: Associate Superintendent to Finance reviews/approves "payment request" form to confirm the request is appropriate.

Process: Accounts Payable
 Sub-process: Travel



Process: Accounts Payable
Sub-process: Travel Risks and Controls

Risks	<p>R.15: Unnecessary travel taken by employees, resulting in increase cost to the Agency/State.</p> <p>R.16: Inappropriate travel costs incurred by employee, resulting in loss of funds.</p> <p>R.17: Incorrect amounts entered into PeopleSoft for employee reimbursement, resulting in misuse of funds.</p> <p>R.18: Amounts reimbursed to employees that differ from the approved travel request.</p>
Controls	<p>C.20: Travel request initiated through Lotus Notes database(s) to track and standardize each travel request.</p> <p>C.21: Lotus Notes travel database includes built-in system controls implementing the DOE travel policy (vendor ID necessary for user access/per diem amounts default in to the request form with user modification available).</p> <p>C.22: In-state travel is approved by Program Manager, noting travel is necessary and adheres to state-wide travel policies.</p> <p>C.23: Out-of-state travel requires an additional level of approval by the DOE CFO, noting travel is appropriate and in policy.</p> <p>C.24: Travel request must include a cost comparison to evidence the cheapest method of transportation was utilized.</p> <p>C.25: Budget Office must approve out-of-state travel, and confirm travel budget is set-up and adequate for the request.</p> <p>C.26: Accounting Services reviews and approves travel request in Lotus Notes (electronically) prior to submitting to PeopleSoft for payment.</p> <p>C.27: Information extracted directly from Lotus Notes database and uploaded to PeopleSoft through an offline interface (nightly).</p> <p>C.28: Accounting Services keys in voucher number (created in PeopleSoft) into the Accounting Tab on the Expense Statement in Lotus Notes to reconcile the data (voucher number/type/amount) between the two systems and the voucher is filed electronically.</p>