

**REPORT ON
STATEWIDE FINANCIAL MANAGEMENT
AND COMPLIANCE**

FOR THE QUARTER ENDED JUNE 30, 2004



OFFICE OF THE COMPTROLLER

DEPARTMENT OF ACCOUNTS

Prepared and Published by
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This report is available online at:
www.doa.state.va.us

Text and graphics were produced using Microsoft Word for Windows in Arial and Times New Roman fonts. Printed August 2004 at the Department of Accounts on a Xerox 4890 highlight color printer and spiral bound at a cost of 10 cents per copy.

TABLE OF CONTENTS

REPORT ON STATEWIDE FINANCIAL MANAGEMENT AND COMPLIANCE *Quarter Ended June 30, 2004*

	Page
STATEMENT OF PURPOSE	1
COMPLIANCE	2
<u>Auditor of Public Accounts Reports - Executive Branch Agencies</u>	2
<i>Audit Reports – Quarter Ended June 30, 2004</i>	2
<i>Agency Findings – Quarter Ended June 30, 2004</i>	5
<u>Compliance Monitoring</u>	8
Exception Registers	8
Disbursement Processing	8
Paperwork Decentralization	9
<i>Decentralized Agencies</i>	10
<i>Non-Decentralized Agencies</i>	13
Prompt Payment Compliance	15
E-Commerce	19
<i>Financial Electronic Data Interchange (EDI)</i>	20
<i>Employee EDI</i>	21
<i>Direct Deposit</i>	25
<i>Payroll Earnings Notices</i>	29
<i>Small Purchase Charge Card (SPCC) and</i> <i>Increased Limit (GOLD) Card</i>	33
<i>Travel Charge Card</i>	39
Payroll Controls	41
<i>PMIS/CIPPS Payroll Audit</i>	41
<i>PMIS/CIPPS Exceptions</i>	44
<i>Payroll Certification</i>	45
<i>Healthcare Reconciliations</i>	47
FINANCIAL MANAGEMENT ACTIVITY	48
Commonwealth Accounting and Reporting System (CARS)	48
<i>CARS Edits</i>	49
Payroll	50
<i>Benefit Participation by CIPPS Agencies</i>	51
Accounts Receivable	52
<i>Comptroller’s Debt Setoff (CDS) Program</i>	55
Indirect Costs	58
Loans and Advances	60
Fixed Asset Accounting and Control System (FAACS)	63

Prompt Payment Performance by Secretarial Area
Quarter Ended June 30, 2004

Secretarial Area	Payments in Compliance	Dollars in Compliance
Administration	99.7%	99.9%
Commerce and Trade	99.4%	99.5%
Education*	98.9%	98.3%
Elected Officials	99.7%	99.9%
Finance	98.0%	98.8%
Health and Human Resources	98.8%	96.6%
Independent Agencies	99.1%	99.9%
Judicial	99.5%	100.0%
Legislative	99.7%	97.7%
Natural Resources	99.6%	99.5%
Public Safety	99.4%	98.1%
Technology	98.7%	98.6%
Transportation*	99.0%	98.4%
Statewide	99.0%	98.3%

Prompt Payment Performance by Secretarial Area
Fiscal Year 2004

Secretarial Area	Payments in Compliance	Dollars in Compliance
Administration	99.3%	98.5%
Commerce and Trade	99.0%	99.1%
Education*	98.9%	97.9%
Elected Officials	98.2%	96.5%
Finance	99.0%	97.7%
Health and Human Resources	98.7%	97.0%
Independent Agencies	98.8%	99.3%
Judicial	99.5%	99.8%
Legislative	99.6%	98.6%
Natural Resources	99.3%	99.2%
Public Safety	99.0%	98.5%
Technology	97.9%	97.2%
Transportation*	98.7%	96.9%
Statewide	98.8%	97.8%

* Statistics include those provided independently by Virginia Port Authority, Virginia Polytechnic Institute and State University, University of Virginia, Radford University, James Madison University, Old Dominion University, Virginia Commonwealth University, George Mason University, and the College of William and Mary in Virginia and may include local payments. These agencies and institutions are decentralized for vendor payment processing.

Travel Charge Card

The Commonwealth of Virginia has contracted with American Express (AMEX) to provide employees with a means of charging reimbursable travel and related expenses while conducting official state business. Unlike the SPCC program, in which the agency directly receives and pays a summarized bill for all cardholders, each cardholder is personally responsible for all charges placed on the travel card and for paying the bill on time.

A Special Report released by the Auditor of Public Accounts in November 2003 presented several recommendations for improving the program, including closer monitoring of charge and payment activity.

One of the major concerns is the timely payment of card statements. Delinquent accounts result in higher costs to the contractor and ultimately threaten the viability of the Commonwealth's travel charge card program. The contract

provides for the following actions on delinquent accounts:

- 30 days past due – noted on statement
- 60 days past due – on statement and separate notice plus 2.75% delinquency charge
- 90 days past due – additional 2.25% delinquency charge assessed
- > 90 days past due - privileges may be suspended and further action may be taken to cancel the account.

A joint memo from the State Comptroller and the Director of DGS Division of Purchases and Supply, dated June 25, 2004, advised agencies of the large amount of inactive cards for over 12 months. Agencies were required to review their lists and provide documentation to DGS by July 15, 2004 as to the status of the identified cards. The following table identifies the number of delinquent active card accounts by agency during the quarter ended June 30, 2004, and the total amounts past due.

Travel Charge Card Program

As of June 30, 2004

<u>Agency</u>	Total Delinquent Active Accounts	Amounts 60 Days Past Due	Amounts 90-120 Days Past Due	Amounts >150 Days Past Due
Commerce and Trade				
Department of Forestry	1	\$ 57	\$ -	\$ -
Department of Housing and Community Development	2	606	3	-
Education				
College of William and Mary	4	1,050	296	-
George Mason University	2	773	-	-
J. Sargeant Reynolds Community College	2	32	-	121
James Madison University	5	1,071	1	19
Longwood University	3	777	1,306	987

