

Spring 2022 - Internal Control News



3.21.2022

© 2022 Getty Images

The purpose of this quarterly newsletter is to provide agencies and departments with articles on good business practices, fraud prevention, and Internal Control responsibilities. Through articles intended to promote educational and professional development opportunities for employees, this newsletter seeks to raise awareness across state government on the importance of internal control. We hope that by providing you this array of information, we can keep you informed of internal control related activities, and help you implement and maintain effective controls.

<https://finance.vermont.gov> Volume 3, Issue 09

Internal Control Standards - Helpful Web Links

[A Guide for Managers 2.0](#) is available with other important linked resources:

Standards Guide:

https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/IC/FIN-Internal_Control_Standards_Managers_Guide_Master.pdf

Website Resources:

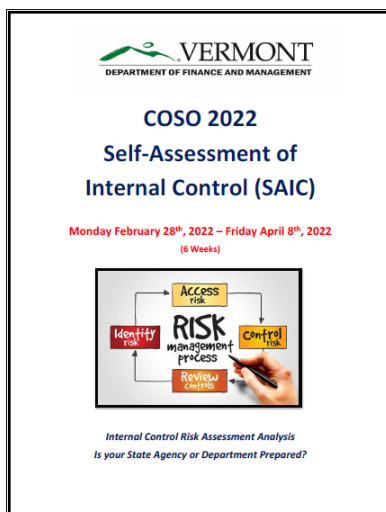
<https://finance.vermont.gov/policies-and-procedures/internal-controls>

Quick Reference PDF Guide:

[Finance/files/documents/Pol_Proc/IC/Guidelines.pdf](https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/IC/Guidelines.pdf)

IC Questions? Contact:


fin.internalcontrol@vermont.gov



VERMONT
DEPARTMENT OF FINANCE AND MANAGEMENT

COSO 2022
Self-Assessment of
Internal Control (SAIC)

Monday February 28th, 2022 – Friday April 8th, 2022
(6 Weeks)



Internal Control Risk Assessment Analysis
Is your State Agency or Department Prepared?

● 2022 COSO SAIC - Kick-off Project

The **Official 2022 COSO SAIC Questionnaire Project** has been released. Our enhanced approach is to issue the questionnaire **Earlier** in the year and **Permanently Extend** the submission date from 3 weeks to 6 weeks. This new timeline established will ease the burden to both the agency as well as any overlaps with the VISION Year End Close process. Please remember the six-week submission is **Due Friday April 8th, 2022**. Contact Jeffrey.Montgomery@vermont.gov with any questions.

• VISION: Accounts Payable (Reminder)

The Department of Finance & Management, Statewide Accounting Team reminds you to please be aware that they are observing the following Accounts Payable irregularities when agencies process their VISION Supplier *Invoice and Maintenance Duties*. They include:



- **Incomplete Review of a Voucher for Approval** – Per the *DFM A/P Manual*:
 - For those that have a voucher approval role. Please see the A/P manual for proper instructions.

[Accounts Payable | Department of Finance and Management \(vermont.gov\)](#)

Approve a Voucher

Situations when this function is used: A voucher must be approved after it has been budget checked and submitted for approval. You may not approve your own vouchers and if you are in a department approver pool you will be able to view your own vouchers but the Approve and Deny buttons will be greyed out. **By approving a voucher, you are signing off that it is a valid voucher that needs to be paid.** You are also stating that all the supplier, accounting, and payment information is correct including the amount of the voucher.

- **Changing Default Payment Terms** – Per the *DFM Policy #5.0 Payment Terms*:

F. VISION Payment Process:

The State of Vermont processes payments to vendors through its VISION PeopleSoft Financials System:

- When processing a voucher, the vendor's default payment terms (*as maintained in the single vendor database within VISION*) automatically populate into the **Pay Terms** field on the **Invoice Information** page of the voucher;
- VISION automatically calculates the **payment due date** based on the vendor's **Invoice Date** and the **Pay Terms**;
- Vendor check payments are issued **4 business days** prior to the payment due date in order to reach the vendor on-time; VISION is programmed to adjust for weekend and holidays when calculating payment dates.
- Departments have the ability to change the (*default*) payment terms on the voucher; however, any changes should be consistent with the guidance provided in this policy.
- When entering a voucher for an invoice that is already (or nearly) past due, departments **should not** change the payment terms to "Due Now" (NET00) as the voucher will automatically be picked up for payment in the next appropriate pay cycle. Changing payment terms to NET00 is unnecessary as VISION relies on the **Invoice Date** to determine when the payment is due...not the date the department entered the voucher in VISION (i.e., accounting date).
- Only vouchers that have been successfully approved and budget-checked in VISION can be processed for payment.
- *Unless a valid business reason exists*, departments should not change the **Scheduled Due** date on the **Payments** page of the voucher as a means to circumvent the intentions of this policy.

- **Providing W-9 Instructions to Suppliers** – Per the *DFM Policy and Procedure Vendor Supply Setup – FAQ's*:

Important notes about requesting a W-9 from a supplier:

- Departments must send the supplier the most current version of the form W-9 off the IRS website or point them directly to the website to get the most current form themselves.
- The form must be completed and physically signed by the individual or business owner/representative. This form must not be completed by the requesting department nor should departments tell the supplier what specific information to put on the form.
- If suppliers need help in filling out a W-9, the department should refer them to the detailed instructions of the form or have the supplier contact their accountant or tax preparer.
- If the department receives a W-9 that is improperly filled out, they must request a new form to be completed and signed by the supplier. The department cannot make corrections to the form on behalf of the supplier. Finance does not accept a W-9 where information has been altered (crossed out, written over, whited out, etc.), even if done so by the supplier.

[VISION Job Aids and Operational Guidance | Department of Finance and Management \(vermont.gov\)](#)

- Please review our newly updated *IC - Best Practice Series # 03 Accounts Payable*.

[Internal Controls | Department of Finance and Management \(vermont.gov\)](#)



Please remember the above three examples of Accounts Payable irregularities are not compliant with policy and are subject to a *SAIC DVR Audit Review*. Agencies could *potentially* lose up to a 10-point reduction in their total SAIC DVR Agency Scoring if any A/P irregularities are discovered during an Audit.

Please contact Joe Harris, Director of Statewide Accounting at Joe.Harris@vermont.gov with any questions.

● **HR I-9 Employment Eligibility Verification Form (Important)**

- ✓ **Providing the I-9 Form from New Employees** – Per the *DHR Policy* Number 4.4 - VERIFICATION OF ELIGIBILITY FOR EMPLOYMENT. Please remember to obtain and complete the I-9 form requirements for *all new hires within 3 business days*. Here is the instruction and hyperlink to the form: [I-9 Form Eligibility for Employment](#).



DFM Staff Happenings:

Promotion:

Hardy Merrill, Director of Budget and Management. Hardy is moving up to the Deputy Commissioner role after serving as budget director for the previous 18 months. He served ably and tirelessly during the COVID crisis to help manage the BudMan analyst team while providing guidance and strategy during the budget development process. We welcome Hardy to his new role.

- **Adam Greshin, Commissioner, Department of Finance & Management**

New Hires:

Nick Kramer, Budget and Management Analyst. Nick is a native Vermonter from Corinth whose most recent work experience has been with the Vermont Council on Rural Development and the Central Vermont Regional Planning Commission.

Emma Fedorchuk, Budget and Management Analyst. Emma was previously employed as a lead analyst for the State of Colorado's Dept. of Higher Education, with earlier experience working in the State of Michigan's State Budget Office.

The Budget and Management Division is pleased to welcome these two new Budget and Management Analysts to the team.

- **Hardy Merrill, Deputy Commissioner, Department of Finance and Management**

Transfers / Departure:

John Becker, Director of Statewide Reporting, John has accepted the position of Financial Director IV, at AOT Admin Office. Please join me in wishing John all the best.

- **Adam Greshin, Commissioner, Department of Finance & Management**

Matt Sutter, Budget and Management Analyst, Matt has moved into the position of Health Systems Finance Principal Analyst for the Green Mountain Care Board.

Mike Middleman, Sr Budget and Management Analyst. Mike has relocated to Florida to be closer to family and to work as an analyst for the City of Boca Raton. We wish both Matt & Mike the best of success!

- **Hardy Merrill, Deputy Commissioner, Department of Finance and Management**

Our Internal Control News is published quarterly in the **Spring, Summer, Fall,** and **Winter** by The Department of Finance and Management (DFM). Please contact fin.internalcontrol@vermont.gov with comments or future article suggestions.

Agency of Administration (AOA), Department of Finance & Management (DFM)

External DFM
Organizational Chart
Effective: 03.13.2022

IC Best Practice
 Series # 14

