



## Department of Finance & Management

### June 2018 - Quarterly Internal Control News

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*The purpose of this quarterly newsletter is to provide departments with articles on good business practices, internal control, and 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 this array of information, we can keep you informed of internal control related activities, and help you implement and maintain effective controls in your areas of operations.*

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<http://finance.vermont.gov> Volume 18 Issue 02

### VISION – FY 2018 Year End Close

June 30, 2018, the last day of Fiscal Year 2018 falls on a Saturday. The last day for submodule transactions to be entered (vouchers, deposits, receivables) will be Friday June 29, 2018. Please review the FY 2018 Year End Closing Instructions on the Department of Finance and Management [VISION Closing Instructions](#) website page for a complete list of year end deadlines and requirements. If you have any questions regarding the year end closing instructions, please contact Ruthellen Doyon by phone at 802-828-0675 or email at [ruthellen.doyon@vermont.gov](mailto:ruthellen.doyon@vermont.gov).



### VISION – FY 2018 Year End Accounts Receivable

**New for this Year:** The CAFR-1 submission sent to Finance & Management must include the detail listings to support the amounts reported on the CAFR-1. This can be in spreadsheet form or another acceptable format, but the detailed support must clearly be able to tie to the amounts reported on the CAFR-1.

Accounts receivable, unearned revenue and cash on hand information is collected by Financial Reporting for CAFR reporting and audit purposes. The State's CAFR reports all accounts receivable net of any allowances for uncollectible amounts on its balance sheet at year-end. The accounts receivable information is collected on the **CAFR-1 form**. The CAFR-1 form includes information about amounts that were owed to the State on or before June 30, and for which payment has not yet been received by the State by June 30. Departments/Agencies are required

to have the ability to properly account for, record, and manage receivables to ensure the information provided on the CAFR-1 form is accurate. One area related to the audit testing of the CAFR-1 that has caused audit findings is Departments/Agencies not being able to provide the auditors with sufficient back-up information to support the amounts entered on the CAFR-1. This year we would like to see these audit findings not be repeated and believe that the new requirement of submitting the detail that ties to the CAFR-1 balances to Finance & Management will help resolve this issue. For additional information please refer to: [FY 2018 Year End Closing Instructions](#) (page 30) <http://finance.vermont.gov/policies-and-procedures/vision-closing-instructions>.

If you have any questions regarding accounts receivable or the CAFR-1 form, please contact John Becker by phone at 802-828-0678 or email at [john.becker@vermont.gov](mailto:john.becker@vermont.gov).

## VISION – FY 2018 Year End Accounts Payable (PY)

It is absolutely critical that vouchers entered after June 30<sup>th</sup> for prior year expenditures use the prefix **PY** in the invoice number field. This requirement has been the subject of repeat audit findings and most commonly happens with construction and consulting contracts where it's not always obvious that the invoice is for work completed in June (or earlier). Employees in your department's business office generally enter expenditures into the VISION Accounts Payable module when they are paying for a particular good or service. In order for us to identify which expenditures need to be reported as payables, we require employees to identify all vouchers entered after each June 30 that pertain to the prior year (goods received, or services performed prior to July 1) by using a PY prefix in the invoice number field on VISION Accounts Payable vouchers.



Each year the Department of Finance and Management prepares the Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting principles (or GAAP) and is subject to independent audit in accordance with generally accepted auditing standards. We have experienced a repeat audit finding for the way that departments have been processing invoices. The audit findings are generally caused by two issues. The first is where an invoice was clearly for the prior year but was not coded as such. Our department attempts to identify these invoices by running various queries, but this is not only time consuming, it also doesn't guarantee that we will find each instance where this occurs. The second involves instances where invoices spanned multiple fiscal years and the portion attributable to the prior year had not been coded as such. This most commonly happens in construction contracts or consulting contracts, where invoices may cover expenses that were incurred partially in June and partially in July but included in a single invoice dated in July. Often it is not apparent on the invoice summary that it is necessary to make an allocation to the correct fiscal year, but the supporting documentation did contain the needed information. Therefore, it is very important to review the supporting information in addition to the invoice to determine the correct allocation across fiscal years. Invoices that cover a period including the fiscal year just ended and the new fiscal year that are clearly itemized by date and amount will require the preparation of a separate voucher for each fiscal year's amount. The voucher covering the goods received or services performed for the period prior to July 1 must have a

prefix of PY in the invoice number field. Additional information can be found on page 20 of the VISION Year-End Closing Instructions available at:

[http://finance.vermont.gov/sites/finance/files/documents/Pol\\_Proc/VISION\\_Closing\\_Instr/FIN-VISION\\_Year\\_End\\_Closing\\_Instructions.pdf](http://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/VISION_Closing_Instr/FIN-VISION_Year_End_Closing_Instructions.pdf).

If you find vouchers were entered that should have had a PY prefix but didn't, you can notify us of that correction by using the VouchersPYMissing.xlsx form available at:

<http://finance.vermont.gov/sites/finance/files/documents/Forms/CAFR/FIN-VouchersPYmissing.xlsx> and email it to [Vision.Cafr@vermont.gov](mailto:Vision.Cafr@vermont.gov).

Operational Guidance – Prior Year Payables Reporting:

[http://finance.vermont.gov/sites/finance/files/documents/Train\\_Support/VISION\\_JA\\_OG/FIN-OG\\_04\\_PY\\_Payables.pdf](http://finance.vermont.gov/sites/finance/files/documents/Train_Support/VISION_JA_OG/FIN-OG_04_PY_Payables.pdf).

If you have any questions regarding prior year payables, please contact John Becker by phone at 802-828-0678 or email at: [john.becker@vermont.gov](mailto:john.becker@vermont.gov).

**Thank you for your assistance in helping to ensure another successful year end closeout.**

## Self-Assessment Internal Control (SAIC) Update

In April, the Department of Finance & Management distributed the 14<sup>th</sup> Annual SAIC questionnaire to all participating Agencies. The 2018 SAIC internal analysis will go through the following four phases:

- **Phase I: Compile Data - Jun / Jul**

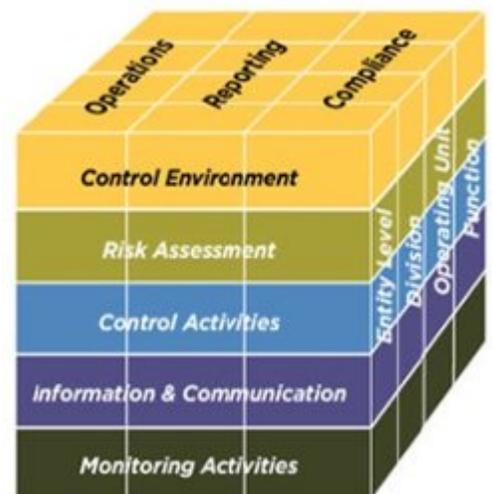
Questionnaires are compiled from all 57 Agencies and Departments. Their responses total approximately 12,000 questions and are loaded into an Excel database. The total is verified with baseline control counts.

- **Phase II: Executive Summary - Jul / Aug**

The Executive Summary is compiled to compare the current year Yes responses as a Benchmark to the prior year Yes responses as well as an analysis of the No responses and the overall types of submissions.

- **Phase III: Individual Agency Review - Aug / Sep**

The Four Major Metrics are assessed for the Agencies and they include a Current Yr. to Prior Yr. comparison, Department vs. Statewide, Compliance with Policies and Procedures analysis, and High-Risk analysis to help identify potential material weaknesses within the areas of review.



- **Phase IV: Agency Selection - Sep / Nov**

The last phase of the SAIC project and most complicated is the Data Valuation Reviews. Agencies and Departments are randomly selected for verification of responses from the submitted questionnaires. This is accomplished through the use of the Balancing Mechanism Reporting Agent (BMRA) which randomly selects Agencies based on certain criteria of the questionnaire from the universal pool of all 57 agencies. A detailed review schedule will be developed and distributed to those selected Agencies.

## ERP Expansion Web Browser Compatibility



When VISION 9.2 goes live you will need to be sure that you are using a version of your browser that is currently supported by Oracle/PeopleSoft. If you are using an unsupported browser version, you may experience difficulties that Oracle/PeopleSoft will not address. To ensure that you are using a supported browser.

BROWSER	SUPPORTED RELEASES
Apple Safari	8.x   9.x
Google Chrome	43.x   58.x
Microsoft Internet Explorer	11.x
Microsoft Edge*	25.10586   39.14986
Mozilla Firefox	38.x   42.x   52.x   53.x

\*Edge is Microsoft's new browser delivered with Windows 10

If your browser release is not listed here, please contact your department's IT resource or the Agency of Digital Services (ADS.) We are aware that some software in use requires older browser releases to work, let your IT person or ADS know if this is the case for you.

For further information check out the website: <http://finance.vermont.gov/vision-v9.2-project-home>.

# Staff Happenings

## New Arrivals

**Mike Middleman** is originally from the small town of Grant, Michigan. He moved to Vermont in 2006 to attend Green Mountain College, where he graduated with a B.A. in Conservation Biology in 2010. Prior to accepting the position of Budget and Management Analyst with the Department of Finance and Management, Mike worked for the Agency of Agriculture, Food and Markets (AAFM) as a Water Quality Specialist for almost six years. While at AAFM, he attended the University of Vermont to earn a Master of Public Administration and a Graduate Certificate in Ecological Economics in 2018. Michael lives in Duxbury, VT with his fiancé. Feel free to contact Mike @ [Michael.Middleman@vermont.gov](mailto:Michael.Middleman@vermont.gov).



**Tim Metayer** was born and raised in Vermont, and he has worked for the state since 2013. Prior to accepting the position of Budget and Management Analyst with the Department of Finance and Management, Tim started his state career with Vermont Health Connect as a Business Analyst, documenting process improvements and providing testing support. He then moved on to a role as a Business Architect where he was responsible for developing a holistic understanding of the enterprise. Tim received an MA in Political Science from SUNY Albany in 2012. When not working, Tim works with his family on their small homestead in the Northeast Kingdom. Feel free to contact Tim @ [Timothy.Metayer@vermont.gov](mailto:Timothy.Metayer@vermont.gov).

**The Finance & Management Team welcomes all new arrivals to the department.**

***F & M Internal Control News*** is published quarterly by the Department of Finance and Management.

Please contact [Jeffrey.Montgomery@vermont.gov](mailto:Jeffrey.Montgomery@vermont.gov) with comments or suggestions.

