

INTERNAL CONTROL NEWS

March Quarterly - 2018

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.

FAQs: VISION Vendors & 1099-Misc

The Department of Finance & Management has in the past distributed to all VISION users an important reference guide on VISION vendor set up, W-9 forms and reportable payment processing. Adhering to these requirements and the cooperation of all VISION users is crucial to ensuring vendors are properly set-up and maintained, vouchers are processed in accordance with IRS requirements for reportable income and the accuracy of 1099-MISC forms issued by the Dept of Finance & Management. This job aide can also be found on the **VISION Job Aides and Operational Guidance** <http://finance.vermont.gov/training-and-support/vision-job-aids-and-operational-guidance>. Please email Michelle.White@vermont.gov if you have any questions or need additional information.



Internal Control Self-Assessment



In April, the Department of Finance & Management plans to distribute the 16th annual **Self-Assessment of Internal Control** questionnaire to departments. Self-assessment aims to raise awareness of internal control across state Government and be a catalyst for improving the State's internal control system. The questionnaire provides departments with a tool to review and document current internal control practices, while helping management identify potential areas of risk or noncompliance within their operations. As in past years, departments will be given approximately 3 weeks to complete, review, certify and submit the questionnaire.

Mileage Reimbursement Rate



The U.S. General Services Administration (GSA) announced that as of January 1, 2018 the current mileage reimbursement rate will be 54.5 cents per mile. GSA stated they will continue to monitor fuel costs and will adjust the reimbursement rate in the future if warranted. It's important to note that the GSA and Internal Revenue Service (IRS) do not necessarily have the same mileage rates. The current IRS rate as of January 1, 2017, the standard mileage rate used for tax deduction purposes is **53.5 cents per mile**, but this does not affect the mileage reimbursement rate paid to State employees which is tied to the GSA rate.

Employees' use of an employer-provided vehicle for commuting is considered "personal use" and is therefore a taxable fringe benefit income. Federal law requires employers, including the State of Vermont, to report all fringe benefit income to the IRS and the employee. For further Mileage Reimbursement Rules and Regulations please refer to the AOA Bulletin 2.3 - State Vehicle Policy <http://aoa.vermont.gov/bulletins>

- Per AOA Bulletin 2.3, you are expected to use the method of travel that is most cost effective to the state; unless, you choose to accept the lower mileage reimbursement rate.

COSO Latest Update Framework

Below are the latest updates of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for public review for the "Internal Control - Integrated Framework". COSO, originally formed in 1985 and is a joint initiative of five private sector organizations (the ERM Integrated Framework, the American Institute of Certified Public Accountants, the Financial Executives International, the Institute of Management Accounts, and the Institute of Internal Auditors), provides leadership through the development of frameworks and guidance on internal control, enterprise risk management and fraud deterrence. The COSO *Internal Control Framework* is the foundation for the Dept. of Finance & Management's internal control Unit.

<http://finance.vermont.gov/policies-and-procedures/internal-controls> Information on the framework can be found on the COSO website at <http://www.coso.org/> and is open for public review. COSO retains the core definition, 3 primary categories of objectives (Operations, Reporting, and Compliance) and 5 inter-related components (Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring) of internal control from the original framework. <https://www.coso.org/Pages/ic.aspx>



ERP Expansion Project Update

Here are our primary subject areas



The State of Vermont financial accounting system known as VISION is being upgraded from the current PeopleSoft Financials version 8.8 to version 9.2 for all modules currently being used by the State. In addition, we will implement new functionality available in v9.2 that meets the requirements of the State.

About the Project

[Objectives, timelines, Readiness Coordinator Network, team members and more...](#)

What's Changing

[New functionality and business processes \(and what isn't changing\)](#)

Project Newsletters

[Current and past issues of the project newsletter](#)

Training and Support

[How and where to get training and support](#)

Talk to Us

[Let us know what you're thinking](#)

FAQs

[Answers to frequently asked questions](#)

<http://finance.vermont.gov/vision-v9.2-project-home>

Staff Happenings

Changes in Staffing: The following changes have occurred in the Finance & Management areas:

Retirees and Departures

- **Kevin Gilman** – VISION Operations Analyst IV, Kevin retired in December with a career that included 30 years of service with the State of Vermont. He helped develop the extensive Internal Control (IC) program that is currently in use by Finance & Management.
- **Diane Sholan** - VISION Support Specialist II, Diane retired March 30th. Diane spent 34 years with the State of Vermont all with the Department of Finance and Management.



Promotions and New Arrivals

- **Kelly Murphy, Principal Budget & Management Analyst**, Kelly has been promoted to Principal Budget & Management Analyst. Kelly has taken on increasing responsibilities during the past two and a half years within our department and has demonstrated an ongoing commitment to the work we do while capably meeting new demands.
- **Lisa Hickory** – VISION Specialist I, starting April 18th. Lisa has been working for the State as a DMV Counter Services Supervisor and prior to that she was an Office Manager for a school district. Her employment background brings a wealth of customer service and accounting experience.
- **Jeffrey Montgomery** – VISION Operations Analyst IV, Jeff started his State career with the Department of Taxes and later moved to the AHS's Dept for Children and Families where he was a Financial Manager I, Budget Analyst. His employment background brings a wealth of accounting, systems, and financial experience to Internal Control.
- **Candace Elmquist** – Budget & Management Analyst, Candace comes to the Department of Finance and Management from the Department of Vermont Health Access, Vermont Blueprint for Health. As a data analyst with the Blueprint for Health, Candace managed the payment process for all Blueprint payments, including Patient-Centered Medical Home per-member per-month payments from all insurers, Community Health Team payments from all insurers, Hub & Spoke and Women's Health Initiative payments from Medicaid, and SASH payments from Medicare.
- **Justine Kenney** – Performance and Budget Analyst, Justine joins us from DEC and will continue his PIVOT work under the Chief Performance Officer, including Belt training, facilitating Lean projects, Green Belt Network support, PIVOT Development and Statewide Steering Committee duties. In addition, Justine will be an important member of the team that develops a new Outcomes-Based Programmatic Budget construct (a Strategic Plan Goal).



We welcome all new arrivals to the Finance & Management Team.

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

Please contact Jeffrey.Montgomery@vermont.gov with comments or suggestions.