

HONOLULU, HAWAII

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### **Island Government Finance Officers' Association**

Graduate School USA, Pacific & Virgin Islands Training Initiatives (PITI-VITI)

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### **ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION (IGFOA)**

# Winter Conference Waikiki Marriott Beach Hotel Waikiki, Hawaii December 6-8, 2016

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### **EXECUTIVE SUMMARY**

The Island Government Finance Officers' Association (IGFOA) has met at least annually every year since 1999 to participate in professional development and networking activities and to establish an agenda for financial management improvement. The conferences also provide a forum for participants to discuss common issues and strategies, and to develop a shared agenda for training, organizational development, and technical assistance.

During recent conferences, the IGFOA has focused on improving financial, accounting and budgeting practices and has provided workshops on topics such as ethics and political transitions. This year's winter conference presented trainings on developing effective corrective action plans; acquiring a new financial management information system (FMIS) and obstacles to measuring performance. In addition, participants were updated on new GASB accounting standards. Finally, the forum provided each participating government with the opportunity to develop government-specific action plans to address ongoing issues, including audit performance, new accounting standards, FMIS procurement and finance office performance measurement.

The IGFOA Executive Committee built the agenda for the conference based on input solicited from IGFOA members, feedback from previous conferences, and current issues in government accounting. The goals of the December 2016 IGFOA conference were to:

- Share the status of each government's single audits, finance office operations and performance measures, and other initiatives completed since the June 2016 IGFOA conference;
- Present and discuss best practices in single audit improvement, finance office performance improvement, and FMIS systems acquisitions;
- Determine best practices for investigating and developing corrective action plans and develop plans to address current and prior audit findings;
- Exchange information on the latest Performeter analysis;
- Build government-specific plans to implement new GASB standards, improve communication and fiscal capabilities with federal program managers, enhance finance office performance measures, prepare for FMIS acquisition, and improve corrective action planning for single audits.

The conference agenda has been included in this report as Appendix A. A complete list of participants can be found in Appendix N.

### **WELCOMING REMARKS**

Minister Sadang welcomed everyone to Honolulu on behalf of IGFOA.

On behalf of IGFOA I want to welcome everyone to Honolulu. IGFOA, since its inception, seeks to provide a forum for learning from each other the best practices in each government, and to use them to improve operations and to restore transparency and accountability. For this year's conference, we're providing participants with vital information affecting best practice in managing finance offices. With the support of DOI and the Graduate School USA PITI-VITI team, we are confident that we will rise to many challenges to make our governments proud. We'll be known as champions of participation and transparency.

This year in addition to conference topics focusing on annual reporting, the status of the single audits and performance measures, the FSM, RMI and Palau are faced with a challenge to source and procure a new Financial Management Information System (FMIS) that will be easy to use, but also has the capacity for expansion and flexibility to meet each country's specific needs. The FMIS demonstration yesterday is one such option.

I'm also pleased to note that the discussions on the audit findings and resolution process, and developing collective action plans for this meeting. Audit findings are the constant thorns to our sides, and I eagerly anticipate these discussions. I also look forward to reporting on our government action plans, and I am confident that the work done throughout the meeting will ensure that sound and viable plans will follow which we can update on an annual basis.

I'd especially like to thank DOI and the PITI-VITI program for making this meeting possible.

Following the Minister's welcoming remarks, the Director of the Department of the Interior's Office of Insular Affairs (DOI-OIA), Nikolao Pula, welcomed the group:

Ladies and gentlemen, I'm so happy and grateful to be here. I think the next three days are going to be really good. And if you forget everything I say this morning, I just want you to remember one word: *remember*. Many of you are members of the IGFOA association, as well as members of your respective offices from the jurisdictions and governments that you represent.

I've been the director of OIA for many years, and there are a few things I have learned about this particular group. President Obama has been president for eight years, and Secretary Kempthorne was Secretary of the Interior for two years—ten years total, then Secretary Gale Norton of Colorado was Secretary for six years

before that. So roughly fifteen years ago Secretary Norton called me into her office and Mr. Earl Devaney was the Inspector General of DOI. We had a meeting about audits from all the insular government jurisdictions, and the report card at that time was very poor. There were so many outstanding and unresolved issues that DOI and OIA were getting a bad reputation. Sometimes when the Cabinet members meet at the White House, believe it or not, they do go through audits and are often graded according to the audits.

So over fourteen years ago I came to IGFOA to encourage you to concentrate on getting your work done, getting audits completed, and ensuring that findings are resolved. The word I want you to remember is to remember...that you've come a long way, and that you've done a great job.

However, that doesn't mean that you're perfect. There are still problems that keep coming up. But I want to thank you for your work and the work of your colleagues, and well as the IGFOA organization for doing your best to make sure that these things are taken care of. I also want to thank the Graduate School for the work they have done working with all of your governments throughout the years, to make sure you get the types of assistance and help that you need in terms of financial and budgetary resources. So again, please remember the good work that you have done.

I don't have a speech, but I do want to say to you that as the Director of the Office of Insular Affairs I always ask this question: How is IGFOA doing? Are they an institution that is no longer needed? Or are they an organization that is really on top of things? Or are they taking things for granted...only attending biannual meetings. As part of the theme to "remember," ask yourselves if you've been doing good work and whether you've been good stewards to your offices, to your governments and to the taxpayers. As I ask you that, as Director of Insular Affairs, I also ask myself whether the Graduate School, with its consultants, is doing a good job, or whether their time has come to pass. Accountability is something that we all need to ask ourselves. I ask the same of myself—am I a worthwhile director, someone who is responsible for my staff, and a good steward for the people.

I don't want to say sad things, but I do want to ask myself whether I remember who I am, what I'm supposed to do, and where I should go from here. When you go home after these three days I hope you learn something, I hope you take something back to your offices and to your people and your leaders, to assure them that the IGFOA Conferences are worthwhile.

I began my conversation with you by saying that I'm very grateful and thankful for the work that has been done. I'd like to end my remarks by offering a challenge both to myself and to you—not to take things for granted. Instead, be grateful, be thankful, take care of the people who you work for, and the people who work for you. Thank you.

Following Director Pula's remarks, Stephen Latimer welcomed everyone on behalf of the Graduate School USA and PITI-VITI:

Welcome to Hawaii, to Oahu, and to Waikiki. It's a special time in Hawaii with the 75<sup>th</sup> commemoration of Pearl Harbor on Wednesday and the Honolulu Marathon on Sunday—a really, really busy time. We're glad everyone is here.

IGFOA started in 2000 and we've been doing about two meetings per year between IGFOA and the annual GFOA conferences. This is our 32<sup>nd</sup> IGFOA meeting since 2000, and I believe the only person who's been here for all of them is Palau Minister Elbuchel Sadang. Minister Sadang was instrumental in helping start up the IGFOA, and after our start Director Pula came and challenged all of the governments to improve our audits, which led to the creation of the Audit Improvement Program around 2003. At that time all of the governments were behind on their audits, with several governments five and six years behind. No government was current and all governments had major findings and questioned costs in their audits.

The Graduate School and PITI-VITI worked closely with Debbie Milks, CPA, to manage this project, and created a tool chest of resources available to the insular governments. Some governments have done a better job of taking advantage of these resources than other governments. At the height of IGFOA and the Audit Improvement Project about 70 percent of findings had been resolved. We've actually backtracked a bit since then...so while there's been a lot of improvement there has also been some slippage. The governments which have done best have taken advantage of the resources offered to them by actively followed up on their action plans, tracking performance measures with their office operations, and encouraging applications to the Executive Leadership Development Program (ELDP). We are now managing our fifth ELDP cohort since the program began in 2008. There are 120 participants who have gone through the program, and five program graduates who have completed the program in this room.

Thank you all again. I hope you have a productive meeting. I'd mostly like to thank the Department of the Interior for their faith in the Graduate School through so many years. We hope we have served you well. Thank you all and have a great week.

Finally, introductory remarks were made by representatives of the U.S. Government Accountability Office, including Tara Carter and her colleagues Divya Bali and Eddie Uyekawa:

Thank you for allowing us to attend your gathering. We've heard favorable remarks regarding the value of this conference and what it means to so many participants. This is by no means an official endorsement from GAO, but the three of us working in this area are deeply impressed that this gathering happens and that you all get together to talk about these really important fiscal issues. We're happy to be invited and to be flies on the wall here.

I'm Tara Carter and I'm an Assistant Director at GAO. I primary do tax work and federal debt work, but GAO has been asked every two years to look at the fiscal conditions with a focus on debt in each of the Territories and in Puerto Rico. I'll be doing that work. My colleague Divya Bali will be the Analyst in charge of the Territorial Debt project—she has already spoken with some of you about this project. Finally, Eddie Uyekawa is from the International Affairs and Trade division, and has been doing island work for a long time, including visits to Palau, the Marshall Islands, Kosrae and Pohnpei.

One of the first resources we came across in our work was the Performeter report. When we were invited to come here to IGFOA, we thought it presented a great opportunity and perhaps even training for us to see what goes into those reports and what each of the governments do with the reports. So we appreciate this opportunity and look forward to speaking with many of you on this and other issues. We are happy to answer any questions you might have regarding the work we are doing or our presence here at the IGFOA meeting.

### **GOVERNMENT UPDATE PRESENTATIONS**

(First few paragraphs are from the previous reports. Not sure if Debbie will make major changes so thought I'd keep it for now.) Before the conference, each government was asked to prepare a brief presentation on its progress on the IGFOA-sponsored financial improvement activities. During the meeting, 11 governments summarized the status of their single audits and finance office performance measures. Each government was asked to address the following topics in its presentation:

### **Audit Status**

- Completion date of the FY2014 audit
- Qualifications received and changes from prior years
- Challenges faced during the audit process
- Current status, expected changes in qualifications and findings, and anticipated challenges in completing the FY2015 audit

### Federal Programs - Communicating On-Island

- Formal training or outreach performed or planned
- Types of interactions between finance office and federal program staff
- Any changes in management of federal grants under new omnibus supercircular

### **Employee Outreach**

- Staff training provided or coordinated by the office
- Frequency of staff meetings
- Employee evaluations and mentoring
- Changes in employee initiation or cross-training
- Results of employee satisfaction surveys and follow-up

### Performance Measures

- Timeliness of bank reconciliations
- Fixed-asset inventory
- Number of days to process an invoice
- Collection of outstanding advances
- Federal grant receivables
- Other suggestions of performance measures for finance operations
- Ways in which your office uses performance measures
- Highlights of one finance office accomplishment for the year

### Some of the challenges that the governments faced or anticipate include:

- Loss, lack of or shifts in key personnel
- Training new employees to a competent level
- Change in auditors
- Duplicative or adversarial relationships between offices
- Inadequate records
- Carry-over issues from previous audits
- Accuracy and timeliness of reconciliations
- Timely completion of component unit financial audits
- Procurement issues
- Paying vendors on time

- Server error
- Fixed assets

Among the goals for improving their audits for FY2016 and overall performance were the following:

- Decrease findings
- Invest in new hires
- Cross-train staff
- Solicit assistance from consultants, specialists and donor partners
- Improve communication within and between offices
- Work to spend money within one year and eliminate extensions

A copy of the PowerPoint presentation for each government may be found in Appendices B-1 to B-11.

Director Pula commented on the insular government presentations. The Director described how much he enjoyed hearing reports from the insular governments and commented on the following:

- Resources and staffing are a common theme, as is getting qualified people. It's
  great to recruit young talent and to bring them on board.
- The Director encouraged the group to not underestimate themselves. When it comes to every government in the islands the finances are important
- Many people in this room don't have control over the politics of financials in the
  governments, which may make many people feel like giving up. IGFOA's role is to
  recommit and to rise up to the point where we can make a difference through
  the advice and strategy on how to address politicians. We—DOI-OIA and the
  Graduate School—are resources that you can use to do this. The important
  message is not to give up on the important role that we all play in the finances
  and health of our communities.
- The director encouraged the group to recommit themselves to doing good work for yourselves and for your communities.

Each government's report on its action plan (June – December 2016) can be found in Appendices B 1-10.

### PROCURING A NEW FINANCIAL MANAGEMENT INFORMATION SYSTEM

Debbie Milks presented detailed information about how to prepare for, acquire, and implement a financial management information system (FMIS). A copy of her PowerPoint slides can be found in Appendix C.

"It is a process." That was the key theme of Ms. Milks' presentation on acquiring a new financial management system. The major element of success is strong, qualified, non-political project management and broad local engagement from the beginning. From that foundation, the government is able to tackle the tasks of putting together a detailed requirements document, interviewing vendors and their references and negotiating a contract with the vendor. The risks associated with personnel issues, technology and planning can be mitigated with good project management.

The second portion of the presentation focused on some of the major elements of the RFP, including an illustration of a scripted demo, the decisions which need to be made on data conversions, training plans and implementation schedules. This section was concluded with group exercises on building a requirements checklist for budget, accounting, grants and HR.

In the final section, Ms. Milks walked through the building blocks of a good chart of accounts. A well designed chart is depending partially upon the flexibility and strength of the selected FMIS but primarily upon the designer understanding <u>all</u> of the reporting requirements of the government; budgetary, financial, performance, statistical and programmatic.

After her presentation, participants were assigned to five groups and asked to identify key issues that are important relative to an FMIS. The groups reported the following points:

#### THE ACCOUNTANTS

- Workflow-separation of duties
- Attachments of federal awards
- Warning when grant expires

### Weakness:

- Not having flags for duplication or editing
- Lack of module to track

### Reporting:

- By CFDA
- By Expiration Date

- By title of the grants
- Customizing as needed

### Security:

- Access Permissions for people with different roles (managing permissions)
- Editing.

### **GRANTS**

- More automation reporting on the systems
- System cuts off at the end of the grants periods (system sends out warnings)
- Red flags for expiration dates
- Paperless workflows and automation (including payroll)
- Remote Access
- Real time data reporting systems that allows pulling of status by CFDA, or pull select reports (by expenditure, incumbrancers, for cash management, etc.
   Eliminates journal entries.)

### **BUDGET**

### (SHOW ME THE MONEY)

#### Weaknesses

- Lack of budget forecasting modules within systems
- Over expenditures
- No cash flow information

### Features Desired (Wanted)

- Automatic forecasting (revenue)
- Each agency does adjustments
- Biweekly payroll allotments
- Automated quarterly allotments
- More expanded narrative filed for import/export templates

### **Differentiating Criteria**

- Finance to do projections
- Budget offices do projections

- Automated calculated allotments
- Allocation at top of the list

### **HR and PAYROLL**

### **Differentiating Criteria**

- Deal with one employee with two or more positions
- Link position control to the budget
- Self-services: Application, onboarding and managements

### Like:

IT Guy

### Weaknesses/Don't Like

- Hard to generate reports
- Lack of weak/slow technical assistance
- Unable to upload documents

### Functions or Features:

- Process:
  - Salary planning/projections
  - Performance management
  - Compensation managements
  - Self-service
  - Adverse/disciplinary tracking
- Reporting
  - Self-generating reports
  - Annual/quarterly reports on government public sector employment and issues
- Security
  - Access system off-site without issues

### **REPORTING**

### **Differentiating Criteria**

- Government Structure
  - Size
  - Make centralized or decentralized
- Reporting Requirements

### Likes

- Web based
- Report writing capabilities
- Payroll processes
- Audit Trail
- Module Integration (i.e. Payroll/HR; payables, etc)

### Weaknesses

- Reconciliations
- Proprietary systems
- Technical support
- Shadow = manual process
- Report writing

### Top-of-List functions/Features

Participants discussed the advantages of working across islands to acquire a FMIS system that would be flexible yet suitable for multiple governments. Mr. Pula described the history of why OIA has been reluctant to extensively support FMIS acquisitions and indicated perhaps things have changed. He suggested it is incumbent on the government leaders to work together and approach OIA with ideas.

# GUEST SPEAKER: WESLEY MACHIDA, DIRECTOR OF FINANCE, HAWAII DEPARTMENT OF BUDGET AND FINANCE

Mr. Machida addressed three areas: Hawaii's significant obligations; grants management; enterprise resource planning. He presented numerous graphs and charts that illustrate the many challenges facing Hawaii's financial status.

Regarding grants, the State of Hawaii receives about \$2.5 billion annually in federal awards. This represent about 20% of the State's total revenue and 14 state departments expend federal funds each year. Hawaii uses a decentralized system for managing federal funds. Mr. Machida also discussed several challenges to grants management.

Specifically, federal and state systems to expend monies are very complex. Hawaii experiences turnover of personnel, which leads to insufficient knowledge transfer. And, Hawaii has inadequate tools to assist state managers with meeting federal compliance requirements. They lack training and depend on antiquated computer systems.

The state's enterprise resource planning includes many people from groups such as human resources, payroll, time and attendance, finance, grants, acquisition, asset management and budget. Mr. Machida discussed the new payroll system and provided an illustration of the timeline and steps to implement it.

A copy of the PowerPoint presentation by Mr. Machida can be found in Appendix D.

### **INSULAR GOVERNMENT PERFORMETERS**

Frank Crawford, CPA with Crawford and Associates, provided an update on the financial health and success of the island governments. Using a system of measurement called the *Performeter*, Mr. Crawford presented the 2015 scores for each government.

Mr. Crawford opened his presentation with an explanation of the *Performeter*:

- The *Performeter* measures the financial health and success of a government using a scale that everyone can understand, 0-10, with 0 = poor, 5 = satisfactory, and 10 = excellent.
- It uses financial ratios for the evaluation.
- The evaluation is only as reliable as the information in the annual audited financial statements and most relevant when the information is used in a timely manner.
- Relevance and reliability are the key concepts in accountability.

Mr. Crawford reminded participants that the *Performeter* was developed to enable analysis of financial information and help governments track their score and compare themselves to others of similar size. Overall, it was most a down year, with only a few of governments actually improving their score, and most of the others declining.

Most governments that have a government employee pension plan were stung by the first-time inclusion of net pension liabilities. Previous, the pension liabilities were simply disclosed in the financial statements. Now, with those unfunded liabilities being reported within "the math" of their Statement of Net Position, those governments overall reading and scores declined.

In his presentation Mr. Crawford also provided results of the A.F.T.E.R. Analysis, which he described as an analysis of the status of audit findings, the timeliness of the

submission of the audit, and the resolution of certain audit exceptions. This analysis can be used to track a government's progress toward eliminating its most significant findings and exceptions, along with tracking the timeliness of submission to the Federal Clearinghouse.

The A.F.T.E.R. Analysis indicates many governments have either clean financial statement opinions, clean compliance opinions or in a rare instance or two, both. Questioned costs seem to be on the rise in some governments, declining in others, while some have remained relatively stagnant.

See Appendix E for the slides from Mr. Crawford's presentation, the *Performeter* summary scores and *A.F.T.E.R.* analysis for each government.

### **INSULAR GOVERNMENT FY 2015 AUDIT FINDINGS UPDATE**

The summary results of the audit timeliness and number of modifications are found at Appendix F. As has been previously noted, there is some possibility of misleading results from combining 11 island government audits. Six governments, including Palau, Guam, RMI, FSM National Government and the States of Kosrae and Pohnpei have maintained clean financial audits for 6 or more years. Others have maintained, while the Virgin Islands and American Samoa have had an uptick in the number of financial statement modifications in the last several years. It should be noted that both ASG and the VI have changed auditors several times in the last 10 years and although a change in the audit firm doesn't necessarily result in increased scrutiny, it does appear to have some correlation.

Regardless, it can be useful to combine results and watch trends. Timeliness improved in FY2015 (although the CNMI is still in draft, so the results could change) but even more encouraging is the number of modifications associated with federal programs has decreased slightly. It is the most difficult area for the finance offices to directly control, although their assistance and leadership does help the other departments manage their grants more effectively.

In terms of the number of findings, reconciliation in general remains a big issue, both in the total number of findings at 24% and the number of governments with reconciliation findings, at 10 of 11. The types of reconciliation issues vary although virtually all can be directly or indirectly controlled by finance. Over the last several years, there has been an increase in the number of findings which relate to the lack of reconciliation between the financial information reported to the federal government and the financial management system of the local government. With the increased emphasis on performance measures related to grants (timeliness of SF425 reports, collection of grant

receivables, payment of grant related invoices), it is timely to consider a performance measure related to this reconciliation issue.

# GUEST SPEAKER: SUBROTO BANERJI, HEALTH FELLOW, OFFICE OF ASSISTANT SECRETARY FOR HEALTH, US DEPARTMENT OF HEALTH AND HUMAN SERVICES.

Mr. Banerji began by identifying four components that contribute to a healthy island community:

- 1. Each island's health administration program
- 2. HHS policies, recommendations, and systems improvement actions
- 3. Awarding agency's program and actions
- 4. Each government's finance, procurement, budgeting, and audit processes

Next, he presented graphs and illustrations about how the US government awards and monitors grants, especially related to data collected and managed through the Payment Management System (PMS). He presented a slide to illustrated unobligated funds that create problems for both the island governments and HHS. Mr. Banjerji closed by suggesting HHS and the governments must work closely together to ensure the island communities receive the most benefits and stay healthy. HHS staff do not received travel funds to visit the islands so they are restricted to helping from a distance. Some suggestions:

- Training on the PMS system; almost complete for the Pacific islands and planned for the US Virgin Island governments
- Encourage the use of online report and analytic tools
- Attend webinars and quarterly update sessions
- Standardize the budget template used by your government
- Develop job aids for grant staff

Mr. Banerji's closed by expressing his appreciation for the many challenges encountered by the governments. His presentation can be found in Appendix G

### **AUDIT FINDING RESOLUTION PROCESS**

Marina Tinitali, OIA, introduced several points about the importance of resolving audit findings. Unresolved issues can impact federal funding, awards, and reimbursements. Further, unresolved findings can result in suspension of funding and deobligation, or cancellation of a grant. She suggested the acronym of CORAL to remind participants of actions to help resolve audit exceptions.

- Communicate to all parties
- Organize by audit issue
- Respond to the issue
- Action to complete the solution
- Lessons learned means evaluate to see if goals were achieved

Ms. Tinitali's presentation can be found in Appendix H.

### **DEVELOPING EFFECTIVE CORRECTIVE ACTION PLANS**

Dr. Jeanne Yamamura focused on how to develop effective corrective action plans for resolving audit exceptions. The objectives for this session were to determine best practices for investigating and developing corrective action plans (CAPs) and to develop plans to address current and prior audit findings. Toward those ends, the participants identified how each government is currently preparing CAPs and the information provided. Suggested best practices for preparing CAPS included:

- Select a CAP "czar" a single agency and single person who is responsible for managing CAP responses.
- Create a multi-departmental team to identify the problem and discuss solutions.
- Select the best solution and develop a fully detailed corrective action plan which identifies what is to be done, who is to do it, the due date for the action, and the documentation to be maintained.
- Follow up to ensure the solution is implemented, the problem is fixed, and the finding is cleared with the agency and the auditors.
- Keep the communication lines with the auditors open so that potential findings can be investigated and cleared BEFORE they become official findings.

A process is also needed to ensure that prior year findings and questioned costs are tracked and cleared. Recent agency actions taken to offset prior year questioned costs against current drawdown requests highlighted the importance of tracking and resolving prior year findings.

Recent findings in three compliance areas: Allowable Costs, specifically payroll, Procurement, and Equipment and Real Property Management were discussed along with the need to create multi-departmental teams to investigate and resolve such findings. An emphasis on collaboration and cooperation by all team members is key to successful efforts.

Dr. Yamamura's presentation can be found in Appendix I.

### **EXECUTIVE SESSION**

The leader of each island delegation was invited to participate in an Executive Session to discuss three questions. The participants can be identified by an asterisk next to their names in Appendix O – Participants.

- What projects or issues could be addressed by IGFOA in the coming years?
- How can PITI/VITI get more feedback or ideas for future IGFOA conferences?
- What observations or feedback could be offered about the current IGFOA conference?

The forum resulted in an open discussion about many different topics such as:

- 1. We all share many of the same audit problems; continue to tailor the conference to these problems
- 2. Need help with setting timely actions related to all federal programs
- 3. Need help with financial information systems (FMIS), especially licensing support and software
- 4. Preconference survey helped identify problems from across the islands
- 5. Need assistance with FMIS implementation; consider the various governments as "one team" and help us acquire a system
- 6. Need help with audit exceptions related to grants and grant management practices
- 7. Process improvement is important especially as it relates to improved coordination between states and national governments
- 8. Teach program managers requirements for federal programs; this will help with questioned costs
- 9. Include participants from component units to help them understand questioned cost related to federal programs
- 10. Find ways to motivate staff; we're all human and grow bored or tired from time to time
- 11. Hold people accountable
- 12. How can we find ways to encourage vendors and gain efficiencies and reduce costs; what best practices might we adopt; can we name vendors in RFPs?
- 13. How can we get input from IGFOA participants?
  - a. Surveys
  - b. Steering committee
  - c. Contact leaders (e.g. OMB) and encourage participation

- d. Invite leaders to attend well in advance; some high level officials need to add the conference to their calendars almost a year in advance
- 14. Engage leaders before conference and/or after conference to see results
- 15. Invite ELDP grads to IGFOA
- 16. Find ways to expand the conference info beyond conference participants; participants should be sure to share their action plans with their staff and leaders; request Graduate School support for this

Nik Pula addressed the group as the meeting came to a close. He strongly suggested that many of the above issues could be addressed without OIA or Graduate School assistance. Improvements can be made in each government if leaders take responsibility and make things happen. He offered that OIA might've changed its perspective on assisting with FMIS projects, although how it's changed is not yet clear.

### What colors are my M&Ms

Dr. Keehley started the morning with an ice breaker using M&Ms. Each team collected data about the number of M&Ms in each bag and the percent of each color. They displayed their data using bar charts and line graphs. This activity introduced the subsequent discussion about performance measures.

### What's up with our Measures?

Debbie Milks first presented a summary of performance measures currently used by the island governments. She noted the status of reporting measures such as bank reconciliations, processing time for invoices paid, and collection rates for federal accounts receivables. She also presented a dashboard of measures used by Kosrae and complimented them on the way they collect and monitor measures. Her presentation can be found in Appendix J. Most of the government finances offices did a thorough job on reporting their finance office performance measures. It was encouraging to hear that several of the governments are sharing the results of their measures with their employees as well as with their chief executive and legislators.

The reported measures indicate that the majority of the offices are still struggling with staying current on fixed asset inventories and removing the resulting audit findings. Most offices also have an unduly high percentage of overdue travel advances. That problem appears to be a mix of lack of leadership or support from leadership and difficulty with the systems used to account for the advances. On the brighter side, most of the offices are maintaining a current bank reconciliation as well as showing

improvement in processing federal grant payables. The offices reported for the first time on federal grant receivables with mixed results.

Next, Dr. Patricia Keehley facilitated a force field analysis using boxes. Participants were divided into groups. Half of the groups were and asked to brainstorm the benefits to collecting and using measures and actions that support their use. The other half of the groups were asked to brainstorm obstacles to using measures. Everyone was asked to write each response on the side of a box, which were then stacked.

Some of the actions offered that encourage or help performance measurement:

- Good communication among staff
- Talking about measures in staff meetings
- Using the measures to improve

Here are a few of the obstacles discussed:

- Politics
- · Low motivation of staff
- Data collection systems

#### **GASB UPDATES**

Frank Crawford, CPA, presented an overview of the most recent GASB standards that must be addressed by the insular areas and commented that the government financial landscape continues to change. With 11 standards due to be implemented over the next few years (GASB Statements 72-82), 5 exposure drafts that will soon be standards themselves, and 1 long term project related to a new reporting model, the landscape of governmental financial reporting will possibly morph into something unrecognizable to those of us familiar with current surroundings.

Of the most immediate concern, GASB Statement 72 will impact the government's investment disclosures by requiring some additional information regarding valuation methodologies, which is due to be implemented in FY 2016. GASB Statement 77 is also of significant interest. It will require disclosures of certain tax abatement or tax rebate agreements for the first time in FY 2017.

Several other statements deal with amendments or clarifications of the previously issued pension standards, while 2 new statements will begin the reporting of Other Post-Employment Benefits, or OPEB liabilities, beginning in FY 2017 for OPEB plans and FY 2017 for reporting the net OPEB liabilities.

Several exposure drafts dealing with lease accounting, asset retirements, fiduciary accounting and a few others will be standards soon and require effort to implement.

Lastly, the GASB is contemplating the creation of a new reporting model. In other words, a new GASB 34, might significantly alter the manner and format in which state and local governments will report their financial results. Luckily, most of us might be retired by the time that possible standard requires implementation.

The presentation slides for Mr. Crawford's GASB update are included in Appendix K.

### **GOVERNMENT ACTION PLANS**

Throughout the event the IGFOA participants were given numerous opportunities to make notes for use in developing government-specific action plans on the final day of the conference. In its action plan, each government was asked to address the following:

- What needs to be done?
- Who will take the lead?
- When will it be done?
- Comments
- Questions

Some of the key areas which the governments plan to focus:

- Bank reconciliations
- Questioned costs
- New FMIS or upgrades to current system
- Financial forecasting model
- GASB update requirements
- Updating performance measures
- HR issues such as staffing plans and training
- Fixed assets inventory and policies
- Accounts receivable
- Resolving audit exceptions
- Cash management

The individual government action plans are included in Appendices L-1 through L-11.

### **CONFERENCE WRAP-UP**

Palau Minister of Finance Elbuchel Sadang offered closing remarks on behalf of IGFOA. Minister Sadang complimented the group on the hard work accomplished during the conference and shared his expectations of great things to come. Minister Sadang encouraged each of the governments to work hard as the summer GFOA meeting approaches in Denver—both to follow through on the action planning which took place at the end of the IGFOA Conference, and to prove that IGFOA governments are responsible stewards of the technical assistance they receive. We must all work together to make sure that the transformation that we are all working towards will become reality.

Jack Maykoski thanked Director Nikolao Pula, Marina Tinitali, and the Department of the Interior team for participating in the conference and for being so engaged throughout. The insights and leadership provided to the group were extremely helpful. Mr. Maykoski thanked his Graduate School USA team—Stephen Latimer, Jason Aubuchon, Judith Perry, and Lee Malczon for the hard work that goes into making IGFOA conferences such a success. Mr. Maykoski observed that participation at this IGFOA meeting was very strong, with participants extremely engaged throughout presentations and discussions, and with great interest. Mr. Maykoski commended the IGFOA participants for their hard work throughout the last few days, and their active engagement. Mr. Maykoski wished everyone a lovely holiday season, and expressed his hope for equally strong engagement and participation at the next IGFOA meeting in Denver.

Finally, the Director of the Department of the Interior's Office of Insular Affairs, Mr. Nikolao Pula, reminded the group of his opening remarks and his encouragement that participants "remember." Remember to be grateful and to be thankful, because we have jobs. Remember that we serve the people of our communities, and therefore we are servants—not only leaders. Remember to work hard, work smart and don't take things for granted. Director Pula reiterated his opening thoughts that each of the participants are much more than themselves, but represent the collective work of their governments and of the IGFOA body. Finally, Director Pula said that he would like to see follow-up within each of the insular governments. To that end, the Director said that he would like to send a letter to each of the Governors and Presidents of Insular Areas, which he asked each participating government to draft for him. The letter should highlight what was learned at the conference and focus on governmental action plans. In addition, the letter should suggest a debrief from finance offices to the broader cabinet of issues covered and lessons learned. The letters should reinforce the support each of the insular government finance offices receive from both the Graduate School and from the Department of Insular Affairs. The Director challenged all of the participants to make the most of the opportunities that currently exist, and expressed his intention to lean on each finance office, as well as his office and the Graduate School, to ensure that the good things that are undertaken at IGFOA and through initiatives such as ELDP, are highlighted. Director Pula asked that IGFOA undertake a collective effort that starts now, so that we can all look back in two or three years with pride. Finally, the Director shared his excitement for what's to come, and shared the lesson that when we serve others we learn more about ourselves.

### **CONFERENCE EVALUATIONS**

Of the 25 evaluations completed for the 2016 winter IGFOA conference, the following overall results were found, based on a scale of 1 (lowest) to 5 (highest):

	Average Score
The IGFOA meeting sessions were relevant and timely	4.7
The meeting's objectives were substantially met.	4.6
Logistics for bringing participants to and from Honolulu were handled satisfactorily.	4.5
The IGFOA meeting site (Waikiki Marriott) was comfortable and conducive to the meeting.	4.7
Support services by the Graduate School USA staff during the meeting were handled well and in a timely manner.	4.7
Overall, this conference of the Island Government Finance Officers' Association (IGFOA) was excellent.	4.6

A complete summary of the conference evaluations, including the written comments of all of the conference participants, can be found in Appendix M of this report.

# ISLAND GOVERNMENT FINANCE OFFICERS' ASSOCIATION December 6–8, 2016 IGFOA Winter Meeting Marriott Beach Waikiki Resort

## Honolulu, Hawaii

### **MEETING AGENDA**

The goals of the December 2016 IGFOA conference are to:

- Share the status of each government's single audits, finance office operations and performance measures, and other initiatives completed since the June 2016 IGFOA conference;
- Present and discuss best practices in single audit improvement, finance office performance improvement, and FMIS systems acquisitions;
- Determine best practices for investigating and developing corrective action plans and develop plans to address current and prior audit findings;
- Exchange information on the latest Performeter analysis;
- Build government-specific plans to implement new GASB standards, improve communication and fiscal capabilities with federal program managers, enhance finance office performance measures, prepare for FMIS acquisition, and improve corrective action planning for single audits.

### Monday, December 5, 2016

2:00 – 4:00 pm Conference Registration

Please visit Tour Desk #2 in the Tour Lobby of the Marriott Hotel, near the Seattle's Best Coffee. Sponsored IGFOA

participants can pick up meal stipends.

### Tuesday, December 6, 2016

7:00 a.m. Breakfast

Kaimuki Lanai – Buffet breakfast for IGFOA participants

served Tuesday-Thursday mornings.

8:30 a.m. IGFOA Conference

Kaimuki 1 Conference Room

### **Welcoming Remarks**

- Minister Elbuchel Sadang, IGFOA
- Nikolao Pula, U.S. Department of the Interior
- Stephen Latimer, Graduate School USA

9:00 a.m. Introductions & Agenda Review

Dr. Patricia Keehley, Facilitator

9:45 a.m. Insular Government Updates

Moderators: Dr. Patricia Keehley; Deborah Milks, CPA.

Governments will present on the status of their single audits, government finance office performance measures, and the current status of their financial management systems.

Presentations (7-10 minutes each):

- Republic of Palau
- Federated States of Micronesia
  - Pohnpei
  - Chuuk
  - Kosrae
  - Yap
- Republic of the Marshall Islands

10:15 a.m. Morning Break

10:30 a.m. Insular Government Updates (Continued)

Presentations (7-10 minutes each):

- Commonwealth of the Northern Mariana Islands
- American Samoa
- Guam
- U.S. Virgin Islands

12:00 p.m. Group Photo

12:15 p.m. Lunch

1:30 p.m. Procuring a New Financial Management Information

System (FMIS)

Deborah Milks, CPA.

Best practices (and big mistakes) in selecting and implementing a new financial management system. The

discussion will include the key elements of a successful procurement process, including a detailed requirements document, project management and chart of accounts

design.

3:00 p.m. Afternoon Break

3:15 p.m. Procuring a New Financial Management Information

System (FMIS) - continued.

Deborah Milks, CPA.

4:30 p.m. Update Action Plans by Government.

5:00 p.m. Adjourn Day One.

### Wednesday, December 7, 2016

7:00 a.m. Breakfast

Kaimuki Lanai – Buffet breakfast for IGFOA participants

served Tuesday-Thursday mornings.

8:30 a.m. IGFOA Conference.

Kaimuki 1 Conference Room

**Review agenda and Beach Ball Trivia** 

Dr. Patricia Keehley, Facilitator

9:00 a.m. Keynote Presentation & Discussion.

Pension Planning, Grants Management, and FMIS Conversions: Lessons Learned and Forward Planning

Wesley K. Machida, Director of Finance

Hawaii Department of Budget and Finance

9:45 a.m. Morning Break

10:00 a.m. Insular Government Performeters.

Frank Crawford, CPA

11:30 a.m. Insular Government FY2015 Audit Findings Update.

Deborah Milks, CPA

12:00 p.m. Lunch

**Lunch Speaker & Discussion: Health & Human Services** 

**Grants and Fiscal Accountability.** 

Subroto Banerji, Senior Advisor, Office of the Assistant

Secretary for Health, US Dept. of Health and Human Services

Reviewing the use of the payment management system for HHS grants, FFR requirements, and TA support options.

1:00 p.m. The Audit Findings Resolution Process

Marina Tinitali, Accountability Policy Specialist / ALO / EMC U.S. Department of the Interior - Office of Insular Affairs

(OIA)

1:15 p.m. Developing Effective Corrective Action Plans.

Jeanne Yamamura, CPA

3:00 p.m. Afternoon Break

3:15 p.m. Developing Effective Corrective Action Plans - *continued*.

Jeanne Yamamura, CPA

4:30 p.m. Update Action Plans by Government.

5:00 p.m. Adjourn Day Two.

### Thursday, December 8, 2016

7:00 a.m. Breakfast

Kaimuki Lanai – Buffet breakfast for IGFOA participants

served Tuesday-Thursday mornings.

7:30 a.m. IGFOA Executive Breakfast Meeting for Heads of Delegation

Kaimuki 2 Conference Room

IGFOA delegation heads will meet over breakfast at 7:30 a.m. to discuss the IGFOA Winter Conference, institutional goals,

and objectives for GFOA 2017 in Denver.

8:30 a.m. IGFOA Conference

Kaimuki 1 Conference Room

What colors are my M&Ms?

Dr. Patricia Keehley, Facilitator

8:45 a.m. What's Up With Our Measures?

Deborah Milks, CPA & Dr. Patricia Keehley

Discussion about obstacles to using and implementing

performance measures.

10:15 a.m. Morning Break

10:30 a.m. GASB Updates:

Frank Crawford, CPA

12:00 p.m. Working Lunch
Finalizing Insular Government Action Plans.

Kaimuki 2 and Kaimuki 3 Available as Breakout Rooms

1:30 p.m. Report Out: Government Specific Action Plans

3:00 p.m. Conference Wrap-Up

Dr. Patricia Keehley, Facilitator

Advancing the Action Plans

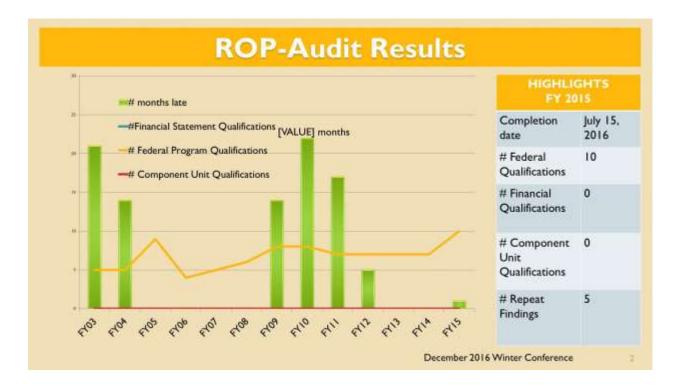
Conference Evaluations

Next Steps

3:30 p.m. Adjourn

### APPENDIX B-1—GOVERNMENT UPDATE: REPUBLIC OF PALAU





## **ROP FY 16 Audit Status**

Describe the current status of your FY16 audit.

Contract with Deloitte & Touche executed Oct. 26, 2016

Engagement letter from Deloitte & Touche rec'd

Describe any expected changes in your qualifications and findings from prior years. Of course we continue to expect less findings from prior years because we continue to believe that we are improving and working toward our goal although there are challenges along the way and we want to eliminate repeated findings.

we are looking in at the right financial system to be acquired

Do you expect any unusual challenges for the FY16 audit?

Systems Planning

No

Status of ROP action pla

Status of KOP action plans				
Planning Area	Major accomplishment			
Ideas from the GFOA/IGFOA presentations	To prepare CAFR			
implementation of financial forecasting models	Budget office already has system in place			
Use of Financial Performance Measures	IGFOA meetings, staff meeting to identify if we are meeting our goal/target, and for Budget Performance that are submitted to the legislature.			
Implementation of OMB Uniform Grant Guidance	Uniform Grant Guidance is currently being implemented to all Federal Grants			
Implementation of GASB #72,74 & 75,77 (if applicable)	GASB 72 (Disclosed how values were determined)			
	We have identified most of the requirements and needs so now			

and implemented.

## **ROP Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

Being on time on the audit, however, some of the years we didn't meet the deadline.

Which measure areas are most critical to you, as a finance manager?

**Bank Reconciliation** 

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Legislature

December 2016 Winter Conference

# **ROP Finance Office Challenges**

What is the greatest challenge in your financial operations?

Cash flow

How could you resolve or improve that challenge?

By doing draw down on a timely manner.

How would you measure whether your improvement plan is working?

Less Due from grantor agencies

December 2016 Winter Conference

# **ROP System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented.

Information Development Consultants for Government and Public Administration developed a full ERP system originally called for short "IDC". This product has been acquired by APTEAN and branded 4-Gov Fund Accounting as part of the APTEAN acquisition of Consona Corporation & CDC Software. IDC was installed in ROP in 1983 and has been upgraded over the years on the modules including the following: financial accounting, management accounting, payroll/personnel & HR, purchasing & payables, accounts receivables, cash receipts fixed assets, budget prep (not updated)

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc

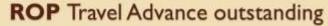
Current Maintenance works well at this time. Fee is paid annually at the beginning of the year. The cost is around \$53,000 annually. It is the on-site visit that is no longer possible as there is not enough staff to spare. Only two staff from original company who know us remain. There is uncertainty as to who continues to maintain the system if the two staff left the company or something happens to them. Their retirement age is also within a few more years.

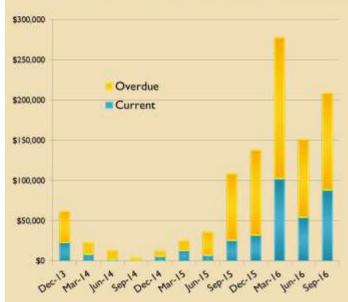
List the feature you like the most in your software and your biggest problem.

(Director Ruth) Speaking from an accountant perspective, I like the table driven chart of accounts among the ones I have seen in other software. My biggest problem now is getting a person from a company down to train several new staff, and implement new modules.

### **ROP Performance Measures**

Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice paid through a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconclitations *FY15 & FY16- did not meet the target days	Physical inventory completed at 9:30-161.  In accordance with our fixed asset policy the physical inventory takes place every odd year. Therefore, the last physical completed was FY15 and the next will be on FY17.	Average days to process an awake FY15 "Local -58 average days Federal-14 average days	% of advances outstanding over 90 days at 9-30-16 "66% outstanding	Ratio of receivables to revenues for FY15 *10%	% variance of the actual revenue to estimated revenue FY15 *2% variance
What is your target # days? *30 days after end month closing	Any fixed asset findings on the audit? *FY15 yes	What is your target # days? = 30 days	What is your target X? *10%-20% outstanding	What is your target?	What is the target? *2%,-2%
Compare to prior year Same	Compare to prior year "Most are repeated findings	Compare to prior year * Federal grants improved	Compare to prior year *Improving	Compare to prior year "Steady improvement	Compare to prior year "Improved
Improvement plan? "Continuous training and have additional staff to help with the reconciliation.	Completion plan? "We continue to meet our goal.	Improvement plan!  " As suggested at IGFOA Canada, in order to improve, we might have to "investigate lack of Performance" by process mapping:	Improvement plan! "Continuous training for nawly hired employee	Improvement plan? "Asherence to cash management plan of drawing down twice on a monthly basis.	Improvement plan? "Continue to meet goal





- Target for this measure 10%-20% outstanding
- This measure is important because it indicates whether all outstanding travel advances are all current and whether traveler has filed their travel vouchers.
   When traveler do not file travel voucher, most likely the trip did not take place and the traveler did not return the funds. Therefore, fraudulent activities can be identified.
- In order to meet our target, we continue to reconcile the travel account on a monthly basis and start payroll deductions on outstanding TA's that has not been filed and continue to process Travel vouchers on a timely manner.

# What is one recent finance office accomplishment you would like to highlight?

We are pleased that Sweety Kalbesang working for DF&A-BNT under the Ministry of Finance was accepted to be one of the ELDP 2017 participants. She'll be the next IGFOA presenter for Palau®

Our Travel Policies and Procedures has been revised and amended for improvement, and it is now with the President's office for approval and adoption.

December 2016 Winter Conference

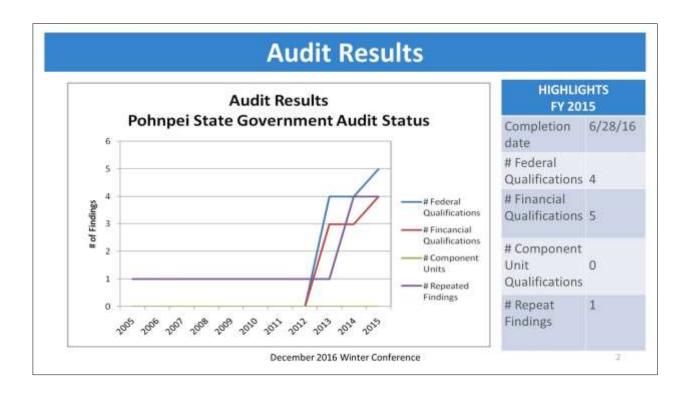
## Sulang!!

Mahalo, Thank you, Fa'afetai, Si Yu'os Ma'ase, Kalahngan, Kinisou, Kammagar, Kulo, Kommol tata!!

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#### APPENDIX B-2—GOVERNMENT UPDATE: POHNPEI, FSM





## Pohnpei State FY 16 Audit Status

Describe the current status of your FY16 audit.

On-time

Describe any expected changes in your qualifications and findings from prior years.

We expect prior year qualifications to be removed.

Do you expect any unusual challenges for the FY16 audit?

The Accounting Advisor left in mid September 2016 and no replacement is on board yet to date.

Status of Pohnpei State action plans			
Planning Area	Need to create the Uniform Guide for FSM before 10/1/2017. Secretary and Directors are assigned the task.		
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	Bank Reconciliation Performance Measures		
Review and possible implementation of financial forecasting models	2 <sup>nd</sup> quarter 2017		
Use of Financial Performance Measures	2 <sup>nd</sup> quarter 2017		
Implementation of OMB Uniform Grant Guidance	FY2018		
Implementation of GASB #72, 74 & 75, 77 (if applicable)	Not applicable, FSMNG handles PSG's investment funds		
Systems Planning	FSM is looking into designing and funding one for the whole FSMNG through a World Bank grant.		

## **Pohnpei State Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

None

Which measure areas are most critical to you, as a finance manager?

**Employee Engagement** 

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

NO

December 2016 Winter Conference

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### **Pohnpei State Finance Office Challenges**

What is the greatest challenge in your financial operations?	Bank and Sub-ledger Reconciliation and short of staff in the Finance Section.
How could you resolve or improve that challenge?	Hire an accounting advisor or consultant to help update reconciliations of all accounts first and then hire another staff in the Recon, Payroll, Disbursement and Payable Section so the current staff in Recon can focus solely on Reconciliation.
How would you measure whether your improvement plan is working?	Do a monthly report from the Chief of Finance on status of all areas in Finance.

December 2016 Winter Conference

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#### **Pohnpei State System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented. Cornsilk Company. Software system called Fundware. Modules: General Ledger, Accounts Payable, Accounts Receivables, Payroll, Report Manager. Our System was implemented back in 2006, its been 10 yrs already.

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc Daily Services require Backup and clearing of the Accounts Payable & Accounts Receivable, requires 30 minutes to process.

Monthly Services require Clearing of Payroll & Process Error Log

Annual Services are provided by Cornsilk for 2 weeks to upgrade our system and it costs \$30,000.00

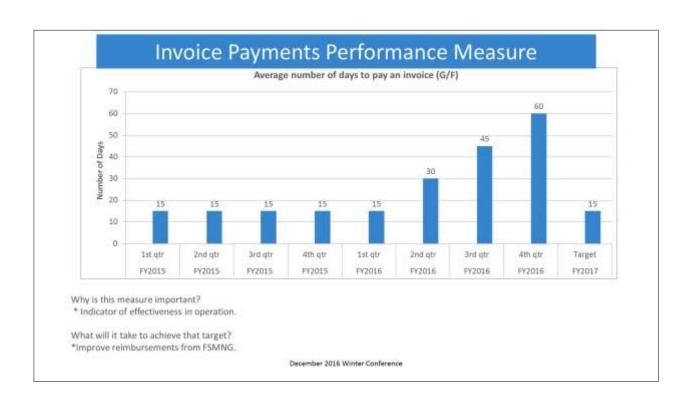
List the feature you like the most in your software and your biggest problem.

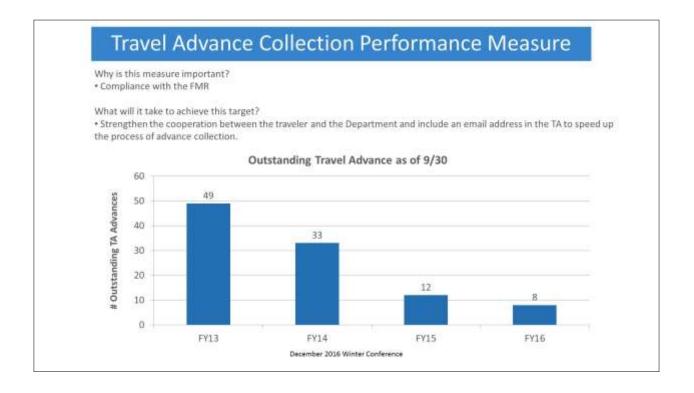
Report Manager which generates employees' Wages & Tax reports, allotments, account details, check reports, etc., The biggest problem we face are the daily power outages on the island, also, the Accounts Payable Reports do not match General Ledger reports.

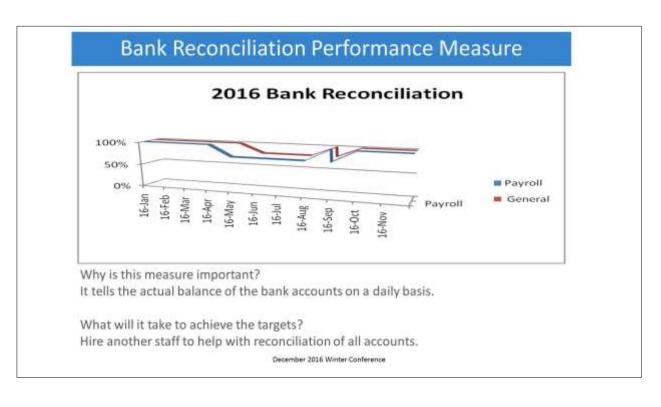
Pohnpei State Performance Measures					
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice for a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations  Yet to be completed.	Physical inventory completed at 9-30-367 Physical Inventory is still engoing.	Average days to process an invoice 3 days	N of advances outstanding over 30 days at 5-30-16 73%	Ratio of receivables to revenues for FY16 2 projects have not been received which created a tremendous blow to our General Fund Account	% variance of the actual revenue to estimated revenues P116 52% was taken aff from PSM National Govt. from the total estimated revenue for PT15
What is your target # days? 20 days	Any fixed esset findings on the audit? Yes	What is your target # days?  3 days	What is your target %7 Yes: 96% main goal	What is your target?  That all Federal Grants revelous entering are received on a biweekly basis.	What is the target?
Compare to prior year  There used to be three staff working in the Reconciliation Section, now, there is only one.	Compare to prior year The same	Compare to prior year 3 days	Compare to prior year Comparing to prior there is A tremendous decrease in Outstanding Travel	Compare to prior year  Before, we request reimbursements an a monthly basis, now we do it on a bi- weekly basis.	Compere to prior yeer 20% difference between
Improvement plan?  Hire another staff in the Reconciliation Section to speed up the process. The plan is to have all the bank accounts, GL to sub-ledger a reconciled 15 days at most after the month's	Completion plan? Activated the Foad Assets Module in Fundware to brack all fload assets.	Improvement plan?  Ensure that all invoices are in line with the applicable Federal laws or procedures	Improvement plan? To clear all outstanding Travels in the same year.	Improvement plan?  Monitor all outgoing Federal Grants expenditure reports and follow through on the status of zeimbursement.	Improvement plan? Ensure that 100% of the State Share is received from the National Government

# What is one recent finance office accomplishment you would like to highlight?

\*Began utilizing the Fixed Assets Module – Improve reconciliation of fixed assets (P.O. listings vs. G/L inventory) and automatically does depreciations.







#### **Performance Measures**

What other performance measure(s) do you use in your finance operations?

Fixed Asset Maintenance Log

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

We are now requiring all vehicles to have a fixed asset maintenance log and we review them quarterly.

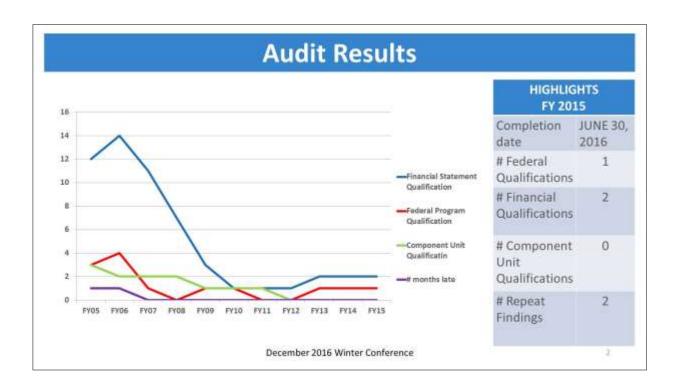
#### APPENDIX B-3—GOVERNMENT UPDATE: CHUUK, FSM

#### **Chuuk State Government**

**GOVERNMENT STATUS UPDATE** 



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016



## (Chuuk State Government) FY 16 Audit Status

Describe the current status of your FY16 audit.

Initial reports were provided to Deloitte and Touche.
Final Trial Balance should be provided by Dec. 2016
after we do some adjustments but we may expect some
delays if we keep running into system problem

Describe any expected changes in your qualifications and findings from prior years.

Resolution of prior years questioned costs

Do you expect any unusual challenges for the FY16 audit?

Unusual challenges for FY16 audit is our system problem where our trial balance is off balance, FY16 ending balance is different from FY17 beginning balance

Status of (Chuu	k State Government) action plans
Planning Area	Major accomplishment
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	HR evaluation of employees every year and this happen at the department level specifically education
Review and possible implementation of financial forecasting models	Budgeting
Use of Financial Performance Measures	
Implementation of OMB Uniform Grant Guidance	They were implemented but in accord with Chuuk State Rules an Regulation and apply the more stricter one
Implementation of GASB #72, 74 & 75, 77 (if applicable)	
Systems Planning	Like our sister states we also agreed to get a new system, a more friendly one where our IT people along with the users will fully understand the system

### Chuuk State Government Performance Measures

List the IGFOA performance measures where your office consistently achieves your target.

We don't meet our target consistently, maybe sometimes but not consistently

Which measure areas are most critical to you, as a finance manager?

Recon, Fixed Asset and Travel Advances

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Only our Budget Office and Capacity Building Grant Manager

#### **Chuuk State Gov Finance Office Challenges**

What is the greatest challenge in your financial operations?

How could you resolve or improve that challenge?

How would you measure whether your improvement plan is working?

Inefficient process of employees funded by different account every year or every other year

Payroll should be included in the process where the department and budget are the only one knows about the change of account

Measure

### **Chuuk State Government System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented.

Our System Company name is Blackbaud, software is Fundware which includes modules for AR, AP, GL, Payroll, Fixed Asset and Budget

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc Maintenance support cost 30,000.00 annually but we never agreed to her contract. The same amount is budgeted for this FY17 but it will be on the job invoice. She will bill us as she comes in and do the services.

List the feature you like the most in your software and your biggest problem. What I like most is the process of obligating a request pmt until check is printed and biggest problem is when the GL is off balance. We don't fully understand the system when problem arrives we cannot fix it ourselves

December 2016 Winter Conference

#### Chuuk State Government Performance Measures

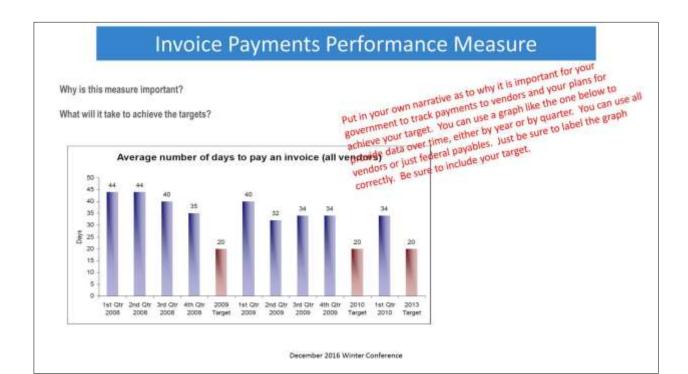
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice for a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations FYI6 recon is completed	Physical inventory completed at 9-30-167 Actual inventory was done as of 9-30-16. Its just a matter of completing the fixed asset register	Average days to process an involce FY157  Dise to oystem problem i couldn't generate reports that provide the data	% of advances outstanding over 90 days at 9-30-16 49% over 90 days outstanding Travel Advances	Ratio of receivables to revenues for FY1S Due to system problem I couldn't generate reports that provide the data	% variance of the actual revenue to estimated revenues FY15 7% variance
What is your target # days? 25 days after back statement received	Any fixed asset findings on the audit? Only the Equipment and Real Property Management.	What is your target # days? 5 to 5 working days	What is your target %? To have 100% current outstanding	What is your target? 100% of Receivables collected	What is the target? 5% accuracy
Compare to prior year Better than prior year	Compare to prior year We submitted an Equipment and Real Property Management Plan but we were still cited on it in PF15	Compare to prior year No improvement	Compare to prior year No improvement	Compare to prior year No improvement	Compare to prior year Decrease from 11% to 7%
Improvement plan? Our plan to hire an assistant was unseccessful. Now we have a new financial advisor whom he is assigned to assist in reconstanting mid of PV16.	Completion plan? We plan to provide whatever information the auditors wants from our submitted plan	Improvement plan? Hire staff as needed Do cross training or staff development training on the process	Improvement plan?  Strengthen our internal control policies and regulations on travel advance.	Improvement plan? Monthly reconciliation of recievables	Improvement plan? Tax & Reverse to streighthan their collection effort

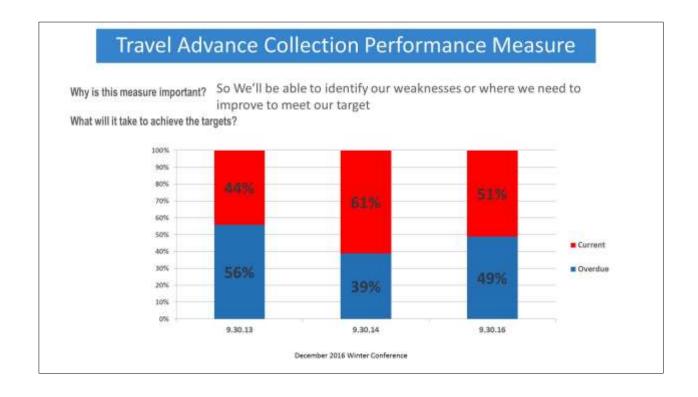
## What is one recent finance office accomplishment you would like to highlight?

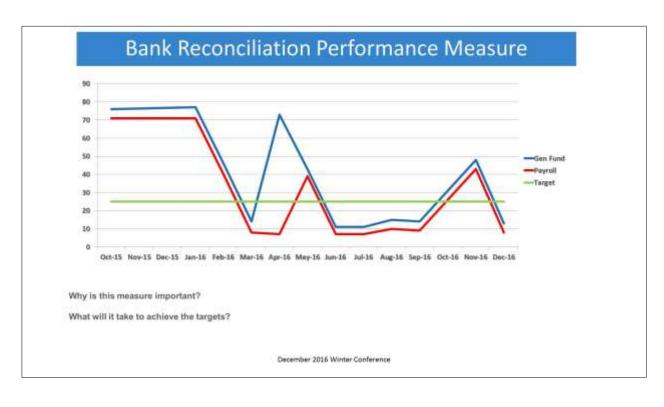
Cross-Training - We do cross training to avoid delays when people don't show up for work. For example we have 3 staffs at payroll and if 1 or 2 don't show up I can always rely on the person who was cross trained at payroll. Then payroll will be processed and issued on a timely manner.

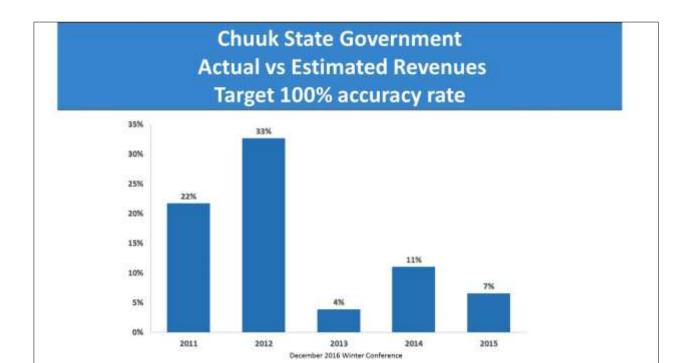
Department Staff Development Training — We basically present our policies and regulations so they'll know the reasons why documents were being returned to their offices. We also walked them through the process of each type of documents like miscellaneous, purchase requisition, contracts, travel authorizations, memos and so on and so forth. The trainings were successful because department staffs simply refer to their available policies and regulations provided during the training and there were less document returned and less number of days process at finance.

I was not able to get my reports to prepare my measures on number of days process because of system problem. If I did then it will show an improvement as a result of the trainings.









#### **Performance Measures**

What other performance measure(s) do you use in your finance operations?

**Budget Quarterly Performance Measures** 

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

Performance measures are shared with the respective sections within finance who handles travel, fixed asset, recon, accounts payable and budget

#### APPENDIX B-4-GOVERNMENT UPDATE: KOSRAE, FSM

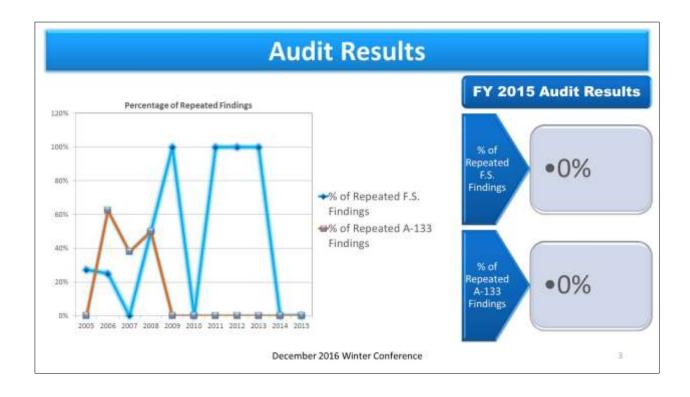
#### Kosrae StateGovernment

**GOVERNMENT STATUS UPDATE** 



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016







#### Status of Kosrae State Government Action Plan Measure IGFOA Gev't Presentation **GASB Updates** Model was · Measure % of · Collected Information Currently follow up on IT introduced to unspent Federal information noted ongoing with **Policies Budget Officer** Grants shared to key FSM National • IT Division did on 3rd week of people Gov't and all Introduced on research on IT other FSM June July first week . Training took Policies from States . Budget had place on July different sites Finance have 2016 (all key already looked into the model staff from implemented but still have not Federal · # of days to adopt programs, review and finance and process P.A. budget attended a week training with Mr. Rykken. December 2016 Winter Conference

#### **Kosrae Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

Timely Reconciliation of bank accounts

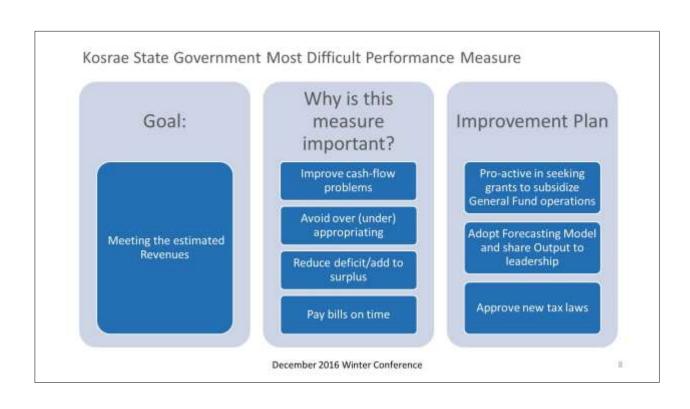
Which measure areas are most critical to you, as a finance manager?

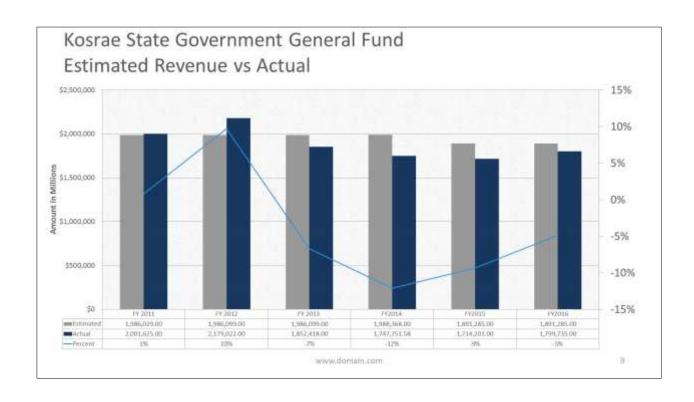
Revenue estimates within target

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Yes, to the Governor and Cabinet Members, budget office, etc.

Kosrae Performance Measures					
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice paid through a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations	Physical inventory completed at 9-30-167	Average days to process an invoice FF15	% of advances outstanding over 90 days at 9-30-18	Ratio of receivables to revenues for FY15	% variance of the actual revenue to estimated revenues EV16
4 checking accounts reconciled as of 10/27/2016.	No recount for FY 16, the last inventory was completed November, 2015.	4,8 days	41% of overdue	100% on targeted # of days	5 % below target
What is your target # days?	Any fixed asset findings on the audit?	What is your target # days?	What is your target 52	What is your target?	What is the target?
15 days after statement received	No Findings	Within 3 days after all documents are submitted	50% reduction in overdue	7 to 15 days after billing date	Meet estimated revenue
Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year
Still meeting target	No Findings	Still meeting the target	30% decreased in total overdue over 09/30/2016	Still meeting target	6% increase on actual
Improvement plan?	Completion plan?	Improvement plan?	Improvement plan?	Improvement plan?	Improvement plan?
Make sure the new system has a good Bank Racon Module	COMPLETED November, 2015 next inventory should be complete by March 2018		Continue collection effort and try to		277





	Kosrae Finance Office Challenges
What is the greatest challenge in your financial operations?	Insufficient cash flow to fund the General Fund operations particularly the programs that were no longer funded by the Amended Compact. The current FMIS system is becoming so out-dated and no future plan for vendor to upgrade. Insufficient funding for the training of the employees was also noted as a challenge.
How could you resolve or improve that challenge?	In resolving the funding issue, request more funding from the FSM National Government to subsidize the General Fund operations. In addition, the government should approve new tax laws. Look for training avenues to provide funding for training to be conducted on island like the Graduate School sponsored training this year on Basic Governmental Accounting and Super Circular.
How would you measure whether your improvement plan is working?	The constant monitoring of the plan and the evaluation of its result would assist in the determination of improvement on the plan.  December 2016 Winter Conference

#### **Kosrae Finance System Status**

Describe your financial management system: company & software name, what modules, how long it has been

implemented.

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc

List the feature you like the most in your software and your biggest problem.

Company Name: Blackbaud Software Name: Fundware

Modules: General Ledger - Project/Grant; AP; AR; Payroll; Budget Prep; Fixed Assets; Financial

Institutions; Report Manager

How long has it been implemented: 10 years now

Currently, Blackbaud is not planning on upgrading the system. The only support we get now is knowledgebase on Blackbaud's website. We also do contract a licensed consultant to assist on-site and remotely. Hourly rate for consultant is \$150/hr.

The GUI (Graphical User Interface) feature is one thing we like most about the current system. The biggest problem is that the vendor is no longer supporting nor upgrading the software. Lacking some necessary features.

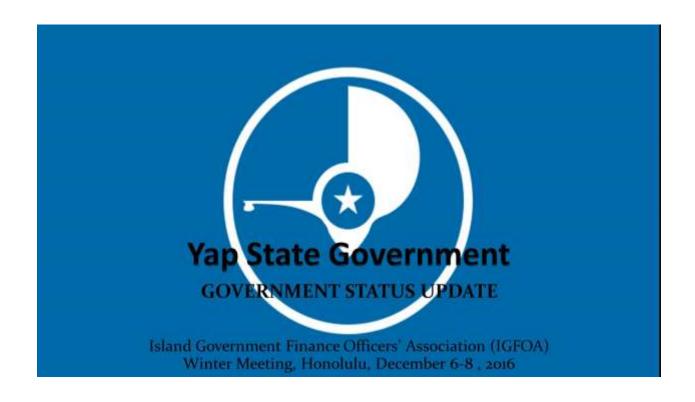
December 2016 Winter Conference

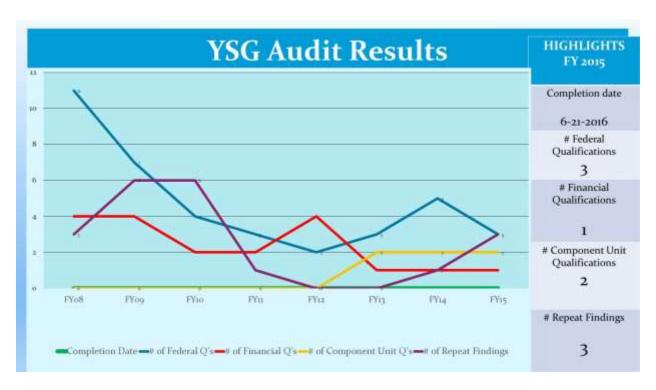
#### What is one recent finance office accomplishment you would like to highlight?

The completion of the FY 2015 Audit report on June 17, 2016 and the submission to the Federal Audit Clearinghouse on June 23, 2016 is the notable accomplishment for the department . In addition, not only did Kosrae State receive unmodified opinions on its financial and compliance audits, it also maintained the zero questioned costs as well as the low risk audit status.

Kosrae had recently hosted the FSM Finance and Budget Conference and it was well organized and a lot of productive issues discussed. We received positive comments from participants.

#### **APPENDIX B-5-GOVERNMENT UPDATE: YAP, FSM**





#### **YSG FY 16 Audit Status**

Describe the current status of your FY16 audit.

SEFA was submitted to auditors last month. Preliminary field work taking place this week. TB to be submitted in January 2017 after the closing of the liquidation period.

Describe any expected changes in your qualifications and findings from prior years.

No changes to financial qualifications. Hoping to reduce findings on Federal Programs

Do you expect any unusual challenges for the FY16 audit?

Travel Advances

December 2016 Winter Conference

### Status of Yap State Gov action plans (Dec 2015)

Planning Area	Major accomplishment
Questioned Cost Resolution	Have had productive discussions with relevant departments, lists of outstanding QC's have been provided to respective depts and working with FSMNG to resolve outstanding QCs by middle of next calendar year.
Advances	Tracking AR accounts regularly and working with departments to ensure all advances are properly accounted for and/or collected. Actively trying to monitor transactions and put hold on questionable advances until assurances are made that all requirements will be fulfilled in timely manner.
OMB Uniform Grant Guidance	US Graduate School assisted and sponsored a training workshop to inform departments of incoming changes. Currently working with our Procurement Office to amend regulations that may smoothen transition and will continue to work with dept/offices to ensure a clear understanding of the new changes.

### (YSG) Performance Measures

List the IGFOA performance measures where your office consistently achieves your target.

Physical Inventory timeliness

Which measure areas are most critical to you, as a finance manager?

AR measurement due to the impact on cashflow

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Governor and cabinet

December 2016 Winter Conference

## **YSG Finance Office Challenges**

What is the greatest challenge in your financial operations?	Staff capacity
How could you resolve or improve that challenge?	Need to conduct both Fundware and accounting training
How would you measure whether your improvement plan is working?	This would show in the timeliness measurements and reduction of error correction being undertaken regularly.
	December 2016 Winter Conference

### **YSG System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented.

-Blackbaud: Fundware 7.6

-16 years old

-GL-Project/Grant, AP, AR, Payroll, Budget, Fixed Asset, -Financial Institution, Report Manager and Cost Allocation

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc

No extensive maintenance at this time except for daily backups. Jan (consultant) comes down for one-week once a year and does some cleanup of system.

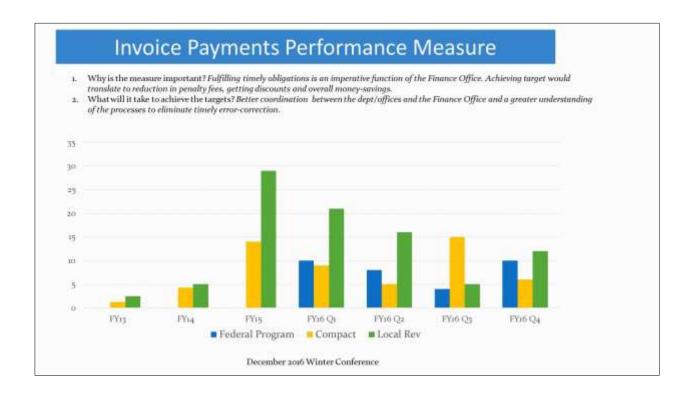
List the feature you like the most in your software and your biggest problem. Like: Producing reports and capability to modify reports.

Dislike: Lack of systematic controls. Not user-friendly.

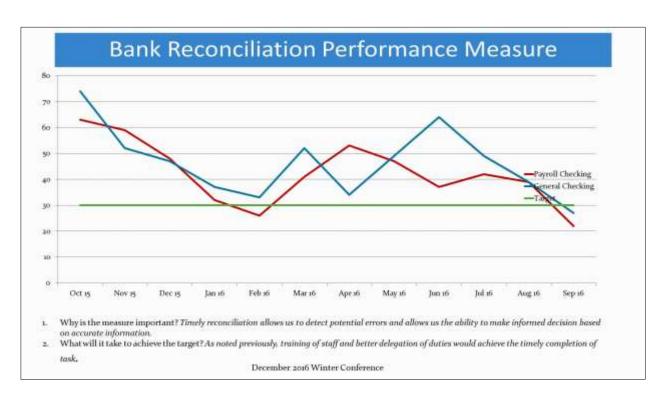
		Performa			
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice for a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank econciliations	Physical inventory completed at 9-30-16?	Average days to process an invoice FY15	% of advances outstanding over 90 days at 9-30-26	Ratio of receivables to revenues for FY15	% variance of the actual revenue to estimated revenues FY15
00% complete as of 9/30/16. Currently lagging behind arget.	100% Completed for FY16. Next inventory in FY18	22 days	Need to do major reconciliation to get accurate figure.	45%	-9%
What is your target # days?	Any fixed asset findings on the audit?	What is your target # days?	What is your target %?	What is your target?	What is the target?
30 days	None	5 days	25%	25%	5%
Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year
Slight mprovement	Same	Slight downward trend	Difficult to gauge due to inaccurate information.	FY14 39% FY15 45%	FY14 -7% FY15 -9%
mprovement plan?	Completion plan?	Improvement plan?	Improvement plan?	Improvement plan?	Improvement plan?
Staff training and better delegation of duties.	Every other year. On schedule.	Work with dept/offices to minimize errors and correction on process.	Need to conduct major reconciliation. May need to seek external assistance.	Improve the coordination and cooperation between FSMNG and program.	Work with Budget Office to improve accuracy of revenue estimate.

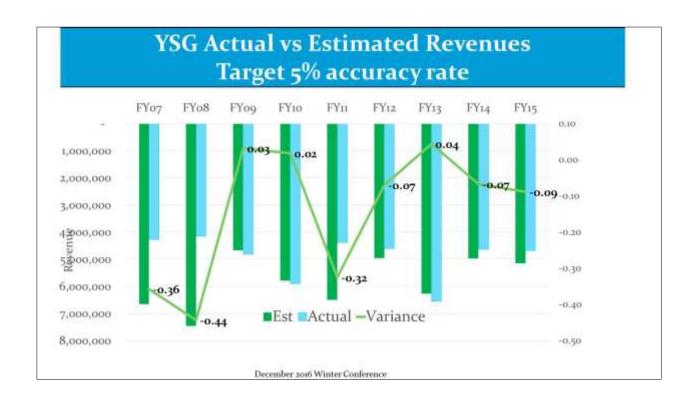
# What is one recent finance office accomplishment you would like to highlight?

Slight improvement in Single Audit by eliminating procurement findings.









#### **Performance Measures**

What other performance measure(s) do you use in your finance operations?

Tracking of fixed cost.

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

The performance measures are used internally to gauge the office's performance and detect anomalies. On quarterly reports, the dashboard is being shared with Cheryl Burkindine. Periodically, we share the performance measures with the Lt. Gov and executive team to assist with the budget review and other duties.

## APPENDIX B-6—GOVERNMENT UPDATE: REPUBLIC OF THE MARSHALL ISLANDS



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016

#### **RMI Government FY 16 Audit Status**

Describe the current status of your FY16 audit.

Not complete Target to meet June 2016 deadline Currently on schedule

Describe any expected changes in your qualifications and findings from prior years. Minor changes. Qualification expected to remain the same. With same audit findings and limited resolutions to audit findings.

Do you expect any unusual challenges for the FY16 audit?

Same challenges in with limited capacity as major factor leading to audit issues

Status of RMI GOVT action plans		
Planning Area	Major accomplishment	
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	PFM Roadmap & FMIS Replaced	
Review and possible implementation of financial forecasting models	ADB Model revised	
Use of Financial Performance Measures	Frequently utilized but limited monitoring and evaluation.	
Implementation of OMB Uniform Grant Guidance	No training since 2015	
Implementation of GASB #72, 74 & 75, 77 (if applicable)	No material effect on RepMar Financial Statements	
Systems Planning	Currently working with WB.	

#### **RMI GOVT Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

Revenue estimates. Bank Reconciliations also show significant improvement

Which measure areas are most critical to you, as a finance manager?

Fixed Asset Inventory

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Once successfully implement within Ministry of Finance

December 2016 Winter Conference

4

#### **RMI Government Finance Office Challenges**

What is the greatest challenge in your financial operations?

Limited Capacity in terms of expertise and skills

How could you resolve or improve that challenge?

Educational programs
Recruit Finance Officers from other Ministries
Developing attractive compensation packages

How would you measure whether your improvement plan is working?

Performance against targets

December 2016 Winter Conference

### **RMI GOVT System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented.

Company name: APTEAN Software name: 4GOV Modules: Budget, HR, AP, AR

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc Service provided mostly data storage and retrieval 80K a year

Response time is great if it is reference to storage and data retrieval. Concerning training: Poor

List the feature you like the most in your software and your biggest problem. Survey amongst users show that payroll module is the most reliable while AP and Travel Advance being the most problematic

#### Detail of one performance measure

Select one of the performance measures with which your office has some difficulty and develop a graph or some visual that shows the data over time. (by month or by year) Fixed Asset Inventory

Provide some bullet points to note

- -What the target is for this measure? To consistently complete every year.
- -Why the measure is important? Major Audit Finding
- -How you intend to meet your target? Constant Monitoring

7

## What is one recent finance office accomplishment you would like to highlight?

#### FY2016 Audit Preparation

- -Well Advanced compared to previous years
- -Completion of FY2015 Audit (4 months earlier than FY2014)
- -Increased HR in Accounting Division
- -Qualified Support
- -Replicate: Procurement & Supply
- -Leadership

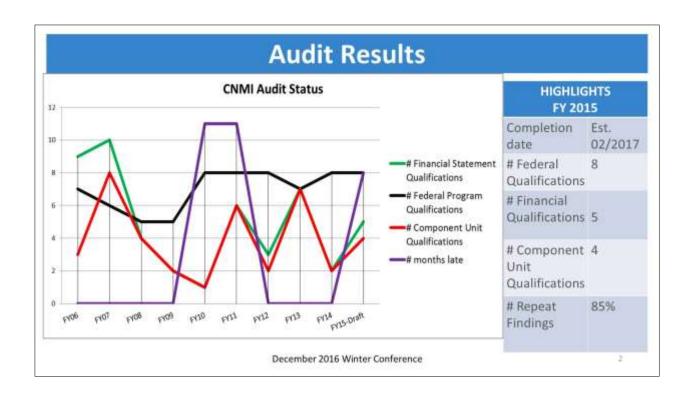
## APPENDIX B-7—GOVERNMENT UPDATE: COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



**GOVERNMENT STATUS UPDATE** 



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016



### **CNMI FY 16 Audit Status**

Describe the current status of your FY16 audit.

Contracted with Deloitte & Touche, LLC

Describe any expected changes in your qualifications and findings from prior years.

Settlement Fund more likely to be included & on-time

Do you expect any unusual challenges for the FY16 audit?

n/a

Status of CNMI Action Plans				
Planning Area	Major accomplishment			
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	Developing performance measures across the board.			
Review and possible implementation of financial forecasting models	Development of complete forecasting model pending.			
Use of Financial Performance Measures	Currently being developed for all Departments. Measures will b required in FY18 Budget Call.			
Implementation of OMB Uniform Grant Guidance	Procurement Compliance Training (Feb. 2016) Audit Corrective Action Planning (Jeanne Y., Aug. 2016) Attorney General: Procurement Contracts Training (Nov. 15th)			
Implementation of GASB #72, 74 & 75, 77 (if applicable)	n/a			
Systems Planning	Planning upgrade/purchase new financial management system			

#### **CNMI Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

General fund payment of invoices

Which measure areas are most critical to you, as a finance manager?

- 1. Number of days to enter invoices (Gen. Fund)
- 2. Federal-# of incoming

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Yes, OMB is working with the Governor's cabinet to develop measures for each Dept.

December 2016 Winter Conference

-

### **CNMI Finance Office Challenges**

What is the greatest challenge in your financial operations?	Staff turnover; Lack of staff
How could you resolve or improve that challenge?	Increase salaries of current employees     Increase Number of Positions for F&A     Use excepted service contracts to be competitive
How would you measure whether your improvement plan is working?	Number of invoices entered per day     Improved work flow

#### **CNMI System Status**

#### J.D. Edwards (1997)

Payroll

Travel

AP

General Accounting

Budget

Customs

Revenue/Tax

· Treasury

Procurement

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc

Describe your financial management

system: company & software name,

what modules, how long it has been

implemented.

Software update & Technical support

Cost: \$148, 560

List the feature you like the most in your software and your biggest problem.

Pro

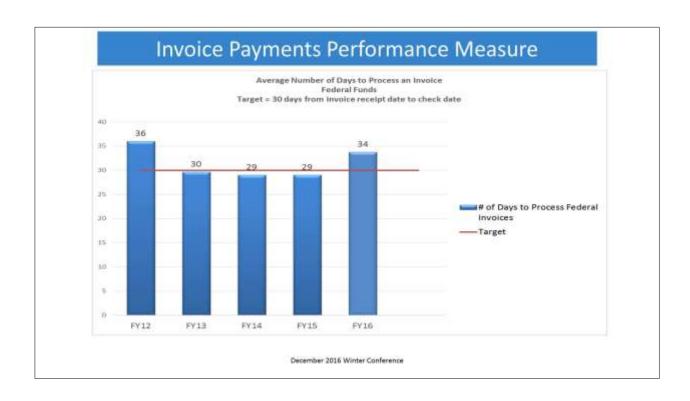
· Remote access via internet

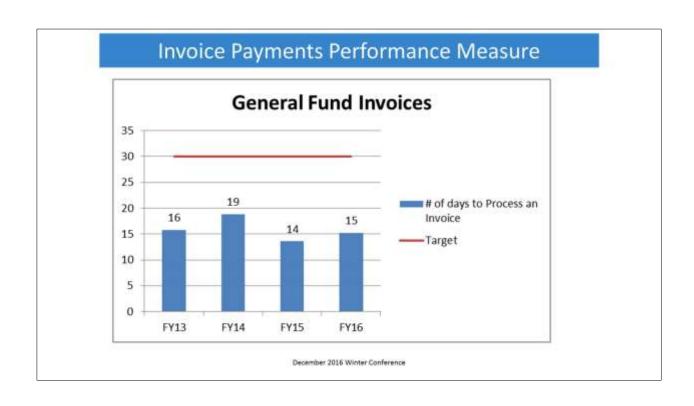
· Not user friendly; interface is outdated

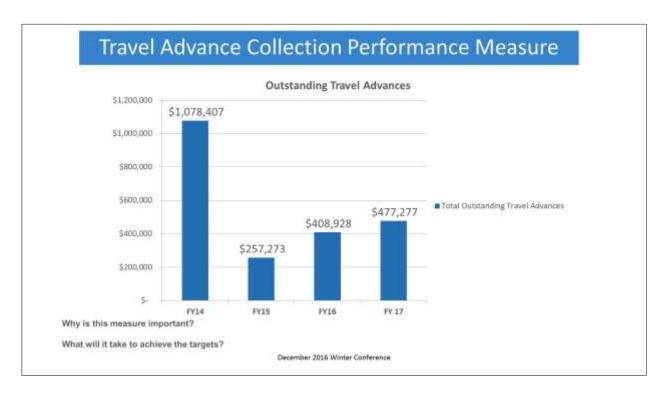
	1,55,81,91					
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice for a federal grant	Collection of outstanding advances		Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations	Physical inventory campleted at 9-30-16?	Average days to process an invoice	% increase/decrease in belence from last fiscal year		Ratio of receivables to revenues for FY15	% variance of the actual revenue to estimated revenues EV15
Completed 11/10/16	Physical Inventories completed; not reconciled.	FY 16= 34 days	FY15 FY16 FY 17	\$257,273 \$408,928 \$477,277	n/a	Fending FY15 Orah
What is your target # days?	Any fixed asset findings on the audit?	What is your target # days?	What is your target 507		What is your target?	What is the target?
30	YES	30	100%		(6)(4)	5%
Compare to prior year  Federal Grants Fund	Compare to prior year	Compare to prior year	Compare to prior year		Compare to prior year	Compare to prior year
FY 14 = 35 FY 15 = 32 FY 16 = 28	4 Major programs completed	FY 15= 29 days	17% increase		FY 15= 38% decrease	n/a
Improvement plan?	Completion plan?	Improvement plan?	Improvement plan?		Improvement plan?	Improvement plan?
Convert temp employees to Fermanent	Purchase vehicle; hire permanent staff	Purchase Scanner; hire permanent staff	Enforcement of payroll deduction		71/0	Completion of revenue projection model

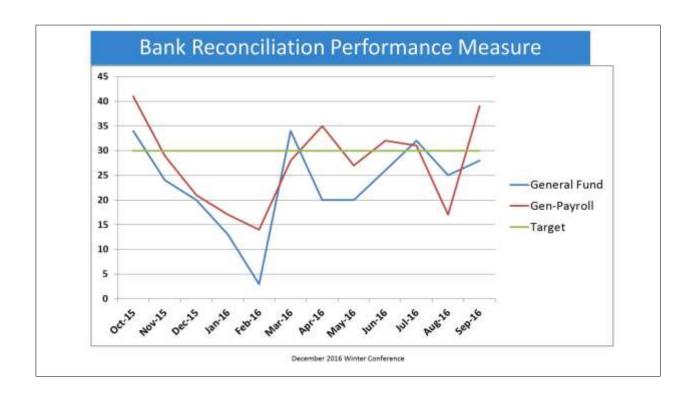
# What is one recent finance office accomplishment you would like to highlight?

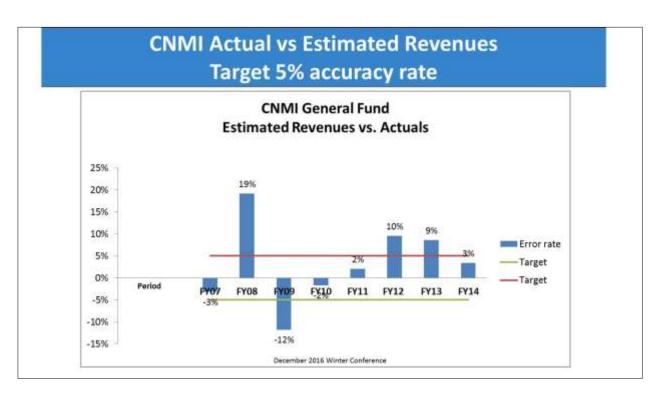
 EDP moving towards paperless routing of documents (i.e. Travel docs, Personnel docs, federal allotment forms, etc.)











### **Performance Measures**

What other performance measure(s) do you use in your finance operations?

N/A

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

DOF will begin to submit performance measures in its annual budget submission. Measures will be monitored quarterly through OMB via cabinet meetings.

#### APPENDIX B-8—GOVERNMENT UPDATE: AMERICAN SAMOA

# American Samoa Government (ASG)

**GOVERNMENT STATUS UPDATE** 



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016



### **ASG FY 16 Audit Status**

Describe the current status of your FY16 audit.

Wrapping up field work on single audit – Dec 16, 2016. Begin field work on financial audit – Jan 16, 2017

Describe any expected changes in your qualifications and findings from prior years.

Income tax receivables Capital Assets – Airport Fund

Do you expect any unusual challenges for the FY16 audit?

Bonds Territorial Bank of American Samoa

December 2016 Winter Conference

# **ASG Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

# days to process an invoice

Which measure areas are most critical to you, as a finance manager?

Timely recons

Days to process invoices

Timely cash draws/less grant receivables

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

No

ASG Finance Office Challenges				
What is the greatest challenge in your financial operations?	Qualified manpower			
How could you resolve or improve that challenge?	Work with HR to hire qualified people			
How would you measure whether your improvement plan is working?	Basic math, reading comprehension and computer literacy test?			
	December 2016 Winter Conference			

# **ASG System Status**

Services/Maintenance plan:

Annual Maintenance Costs:

IFAS 7.7 is \$312,000 \*

One Solution 16.3 will be \$112,000 \*

This includes unlimited support hours.

\* Requests outside scope of general maintenance (such as software customization) has an hourly rate and is invoiced separately.

Best Feature: Usability

Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice paid through a federal grant	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations  COMPLETE	Physical inventory completed at 9-30-16? YES BUT NOT COMPLETED BY 9/30/2016	Average days to process an invoice FY15  LOCAL FUNDS DEPENDENT ON CASH GRANT FUNDS 3 to 12 days	Ratio of receivables to revenues for FY16  13.62%	% variance of the actual revenue to estimated revenues FY15
What is your target # days?  WITHIN 15 DAYS AFTER  MONTH END	Any fixed asset findings on the audit? YES IN FY 2015	What is your target # days? 3 TO 5 DAYS	What is your target? Under 10%?	What is the target?
Compare to prior year	Compare to prior year Yes FY14	Compare to prior year 6-14 DAYS	Compare to prior year	Compare to prior year
Improvement plan?	Completion plan?	Improvement plan?	Improvement plan?	Improvement plan?

What is o	ne recent	fice accom nighlight?	plishment yo	ou would

#### **APPENDIX B-9—GOVERNMENT UPDATE: GUAM**





# **GovGUAM FY 16 Audit Status**

Describe the current status of your FY16 audit.

Awarded FY16 - FY18

Describe any expected changes in your qualifications and findings from prior years. Program Administrator is not processing their grant Transactions at DOA Division of Accounts. Their office was burglarized, document was unavailable.

Do you expect any unusual challenges for the FY16 audit?

**Fixed Assets Reporting** 

Planning Area	Major accomplishment
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	Acquiring a new system – 10 hot tips for Software Selection
Review and possible implementation of financial forecasting models	Adopted the Cash Management template using our format
Use of Financial Performance Measures	Adopted for each branch: Measurement for number of invoi bank reconciliation due dates and travel clearances.
Implementation of OMB Uniform Grant Guidance	Training provided to Agencies
Implementation of GASB #72, 74 & 75, 77 (if applicable)	Implementing GASB-74/75 in FY18 and early implementation of GASB-77 in FY16.
Systems Planning	Communications with Governor's Office & Office of Technonic

# **GovGUAM Performance Measures**

List the IGFOA performance measures where your office consistently achieves your target.

Bank Reconciliation, Bounce Checks, CMIA

Which measure areas are most critical to you, as a finance manager?

Bank Reconciliations - Critical to Cash Management

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

No

**December 2016 Winter Conference** 

# GovGUAM Finance Office Challenges

What is the greatest challenge in your financial operations?

Cash Flow & Lack of Human Resources

How could you resolve or improve that challenge?

Cash Flow - DRT aggressively pursuing old accounts. Human Resources - currently interviewing for three (3)

Accountants.

How would you measure whether your improvement plan is working?

Cash Flow – Compare Current Year receipts against Prior Year Receipts.

Track collections of Old Accounts.

Human Resources - Meeting division's performance measurements, goals and objectives.

# **GovGUAM System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented. Data Management Resources FIRM/400 and TPS GL, AR, AP, Payroll, Budget, Cash Management (legacy) since early 1980's

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc. FY16 Costs: DOA \$715K; DRT \$1.475M

By annual purchase order (for professional services)

Renewal: Too costly, acceptable response time

List the feature you like the most in your software and your biggest problem.

Better standard reports, dashboard metrics for decision making & forecasting revenue.

Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice paid through a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations Completed	Physical inventory completed at 9-30-367 FY16 Equipment Physical Inventory & Tagging is complete.	Average days to process an involce FY15 Data Entry; 4 days + Payment Aging: 17 Days	% of advances outstanding over 90 stays at 9-30-16 6.8%	Ratio of receivables to revenues for FYLS 16.6%	% variance of the actual revenus to estimated revenues FV35 4%
What is your target # days? 30 Days after receiving the bank statements.	Any fixed asset findings on the audit? Yes, due to physical Inventory done in Inn 2016 after the FY15.	What is your target 8 days? 18 Days: Data Entry: 4 Days + Payment Aging: 14 Days	What is your target %7 Less than 20%	What is your target? 25%	What is the target? 3%
Compare to prior year No Changes. Averaging about the same amount of days.	Compare to prior year Repeated finding for 7 yrs; FV15 noted completion, a significant step forward from prior nancompliance.	Compare to prior year Just Began Performance Measures in FF15	Compare to prior year Improved by 7%	Compare to prior year FY14 was 17.6%, improvement of .8%	Compare to prior year +3.4
Improvement plan? Cross training employees	Completion plan? Physical Inventory will be completed every 2-years; tagging is an-going.	Improvement plan? Cross training all staff	Improvement plan? Continue to enforce existing policies & do follow-ups with agencies via email and telephone.	Improvement plan? Continue updating and enforcing policies and communicate with agencies	Improvement plan?

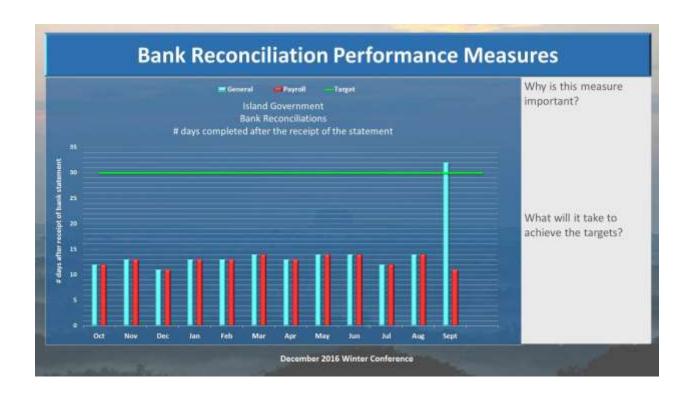


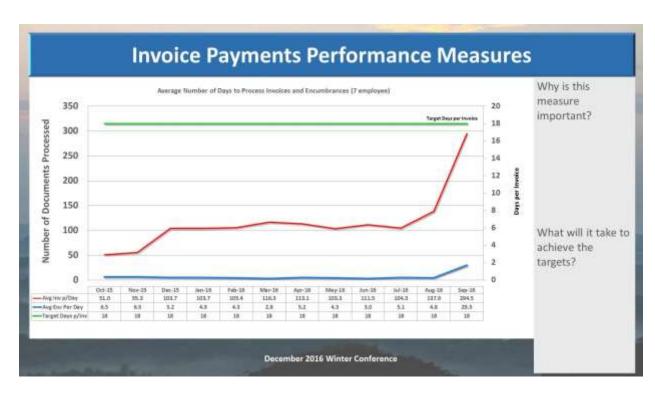
# What is one recent finance office accomplishment you would like to highlight?

#### Fixed Assets:

"Completion of the required physical inventory in January 2016 is a significant step forward in demonstrating corrective action for prior years' noncompliance"

Worksite wellness program for DOA recognized at NCD consortium (DPHSS)for developing an in-house exercise program due to the limited resources for all employees to take advantage of Executive Order of allowing 3 hours per week for wellness. – noted for helping increase the morale in the work environment by creating a fun workout while still tending to internal/external customers.





#### **Performance Measures**

What other performance measure(s) do you use in your finance operations?

The number of days it takes for technicians to review and record invoices into the financial management system (FMS).

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

FMS has capability to monitor the user data entries per day. Although this will help determine any need for additional training, it is not to be used 100% as an employee evaluation. Other non-data entry factors are involved.

#### APPENDIX B-10—GOVERNMENT UPDATE: U.S. VIRGIN ISLANDS

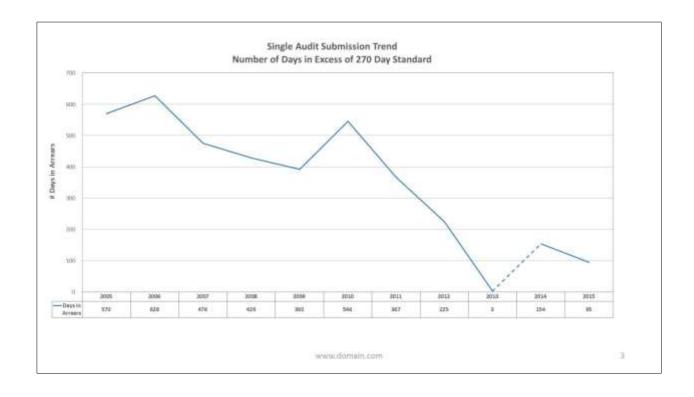
# Government of the United States Virgin Islands

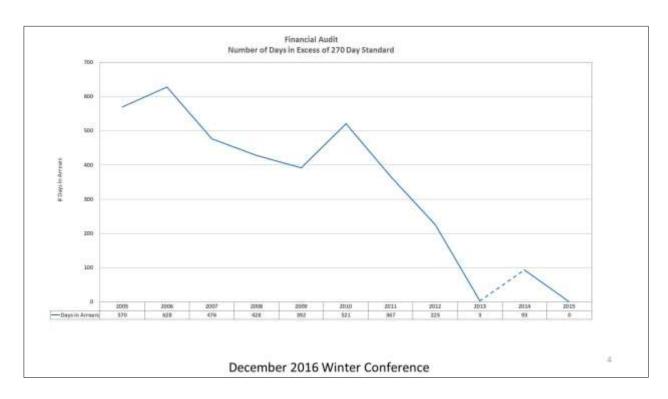
**GOVERNMENT STATUS UPDATE** 



Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016

HIGHLIGHTS FY 2015					
Completion date	June 27, 2016				
# Federal Qualifications	72				
# Financial Qualifications	15				
# Component Unit Qualifications	6				
# Repeat Findings	9				





# Government of the US Virgin Islands FY 16 Audit Status

Describe the current status of your FY16 audit.

The FY 16 Financial and Single Audit have began with an expected issuance date of May 31, 2016. Currently, audit walk-through has began for Revenues, Capital Assets, Payroll, Budgets, IT functions, etc. Trial Balances are in the adjustment phase and financial statements will be readily available by January 15, 2016.

Describe any expected changes in your qualifications and findings from prior years.

We expect a few changes, approximately (2) qualifications are expected to be resolved for the upcoming audit. To be specific, (1) Tax Revenues and Receivables and (2) Recording of Liabilities.

Do you expect any unusual challenges for the FY16 audit?

A system upgrade was implemented recently. As such, with any upgrade or modification to systems, room for error is possible. Given this, our system consultants are readily available to assist.

Implementation of GA58 72 and timely responses from the federal programs managers

Planning Area	Accomplishments
Ideas you wanted to implement based upon the GFOA/IGFOA presentations	<ul> <li>Significant progress of implementation of the Fixed Assets Module and increasing the threshold for fixed assets</li> </ul>
Review and possible implementation of financial forecasting models	Financial forecasting model was implemented at the Department of Finance (DOF) and Financial team resulting in the completion of a five year financial plan.
Use of Financial Performance Measures	<ul> <li>Measure the timeliness of audit issuance and reduction of qualifications</li> <li>Measure how well resources are being utilized</li> </ul>
Implementation of OMB Uniform Grant Guidance	<ul> <li>Federal Grants Management unit (FGMU) offered CAFR 200 trainings</li> <li>Conducted site visits</li> <li>Written guidelines to departments and agencies</li> </ul>
Implementation of GASB #72, 74 & 75, 77 (if applicable)	<ul> <li>GASB 68 was implemented in FY2015, GASB 72 will be implemented for FY2016</li> </ul>
	<ul> <li>Upgrade to the Enterprise Resource Planning (ERP) systems software</li> <li>Moved from physical server to virtual servers through</li> </ul>

# Government of the US Virgin Islands Performance Measures

List the IGFOA performance measures where your office consistently achieves your target.

- Timely, accurate, detailed payments of accounts payable invoices
- Management of pending expiration of federal grants

Which measure areas are most critical to you, as a finance manager?

- Documentation and supporting detail
- Timely draw downs on federal grants (matching receivables to expenditures)
- Allowable employees charged against federal grants

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Yes, these measures are shared in the Governor's Annual Executive Budget proposed by OMB, via online and hard copies.

December 2016 Winter Conference

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# Government of the US Virgin Islands Finance Office Challenges

What is the greatest challenge in your financial operations?	Cash flow is one of our greatest challenge
How could you resolve or improve that challenge?	<ul> <li>❖ Working with our legislatures to obtaining new revenue initiatives through a five year financial plan</li> <li>❖ Monitor and reduce overall expenditures</li> <li>❖ Ensure timely draw downs</li> <li>❖ Remove employees from payroll where funds have expired</li> <li>❖ Work with OMB to get a projection of allotment schedule</li> </ul>
How would you measure whether your improvement plan is working?	<ul> <li>Monitor actual and projected expenditures against actual and projected revenues</li> <li>Monitor the need to float bonds or borrowing</li> </ul>

#### **Government of the US Virgin Islands System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented. Tyler Technologies' Enterprise Resource Planning (Munis) software system is the suite of programs utilized by agencies in the Government of the Virgin Islands to integrate important financial data, streamline processes, manage human resource, payroll data and payroll processes throughout the organization.

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc Total cost is \$555,214.02 for software license maintenance and support, additional \$250K for training, consulting fees, response time, # of hours, Client support to average 73% incoming response rate, remaining 27% of calls to be returned within one hour unless received at the end of the day, those calls will be returned next morning.

List the feature you like the most in your software and your biggest problem.

Its user friendly and web base, however, it's a proprietary system and the contractor has right to the system.

### **Government of the US Virgin Islands Performance Measures**

Timeliness of Bank	Fixed Asset	# days to process an invoice	Federal Grant	Revenue
reconciliation	Inventory	paid through a federal grant	Receivables	Estimates
Status of 9-30 bank reconciliations	Physical inventory completed et 9-30-167	Average days to process an invoice FV16	Ratio of receivables to revenues for FY15	% variance of the actual revenu to estimated revenues FY15
60 days	No, one year behind	.5	16:31	\$655.7M was the estimated amount compared to \$763M Actuals, which is a 11% variance
What is your target # days?	Any fixed asset findings on the godt?	What is your target # days?	What is your target?	What is the target?
60 days	Ves	5-7	85%	5702M
Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year
There has been 120 days improvement to prior year. It took 180 days to complete reconciliations because of lack of staffing	Same	5-7	Same	\$682 Million
Improvement plan? Given that additional staffing was obtained.	Completion plan?	Improvement plan?	Improvement plan?	Improvement plan?
and tronal stating was obtained, it allowed for monthly reconciliation from the previous target of quarterly reconciliation.	2017	Implement an email notification of items rejected for insufficient information.  Continuous training	Continuous email notification to departments and agencies for emailing	full implementation of five year plan

#### Government of the US Virgin Islands Performance Measures Fiscal Year 2017

#### Accurate and Reconciled Schedule of Expenditure of Federal Awards (SEFA) Report

#### Finding

Expenditure recorded to incorrect CFDA number/grant

#### FY 2017 Goal:

To reduce findings relative to SEFA reporting.

#### Importance of Measure

- Loss of Funding and aid to community
- High Risk Status can impose stricter regulations that can over obligate the General Fund
- · Penalties/Pay Backs

#### FY 2017 Target:

- Route all federal related inquiries and requests through OMB-FGMU for verification and expert advise
- Fully implement the Grants Module

11

# What is one recent finance office accomplishment you would like to highlight?

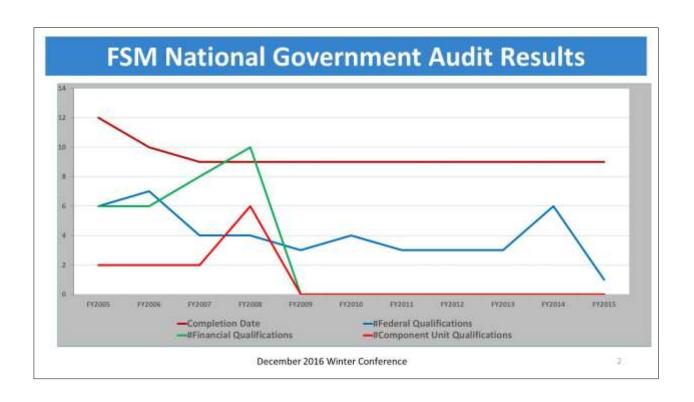
- We were able to meet the deadline of June 27, 2016 for issuance and filing of GVI FY2015 Audit. The Single audit was issued and filed on September 30, 2016.
- Enhanced processing and management of federal grants by disallowing payroll expenditures to be posted on expired grants.
- The closing of Fiscal Year 2016 timely to open Fiscal Year 2017
- Having departments and agencies share outstanding Fiscal Year 2016 invoices through excel template to provide a more accurate liability.

#### APPENDIX B-11—GOVERNMENT UPDATE: FSM NATIONAL GOVERNMENT



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Island Government Finance Officers' Association (IGFOA) Winter Meeting, Honolulu, December 6-8, 2016



# **FSM National Government FY 16 Audit Status**

Describe the current status of your FY16 audit.

Deloitte has started the FY 16 audit. Preliminary trial balance has been submitted and testing of selected transactions has started. We are expecting to complete the audit by the end of April 2017.

Describe any expected changes in your qualifications and findings from prior years. We are aiming to eliminate or at least maintain the major federal program qualification (1), financial statements finding (1) and reduce the A-133 findings (5) in FY 16.

Do you expect any unusual challenges for the FY16 audit?

We do not anticipate any unusual challenges for the FY 16 audit other than the expectation of completing the audit by the end of April 2017.

December 2016 Winter Conference

#### Status of FSM National Government Action Plans

Planning Area	Major accomplishment
Conduct Budget 101 Training	Conducted in-house by Asst. Secretary of Budget & Economics
Conduct Fraud Detection Training	Formal Fraud Detection Training was conducted at FSM Finance Conference in Kosrae
Discuss the possibility of developing cash flow forecasting model	In pipeline
Put in place regular banking reconciliation process	Process has been developed for monthly reconciliation
Reduce volume of outstanding overdue travel advances	Major work undertaken to reduce the overdue TA volume
Improve Revenue Forecasting Estimates	Ongoing

Status of FSM N	National Government Action Plans
Planning Area	Major accomplishment
Conduct Personnel Evaluation	To be conducted mid-December for Budget Staff
Share OMB Uniform Grant Guidance with staff	OMB-UGG training conducted at FSM Finance Conference
Discuss ways to Improve Federal Grants Management and Administration	Dialogue session held between Finance Officers and Federal Program Managers
Continue seeking new system for overall FMIS improvement	Resolution endorsed at Finance Conference and project underwa with World Bank Group
Identify specific features and capabilities for new FMIS system	Taskforce will be established to undertake this task
Identify Financing Methods for the new FMIS system	Major work undertaken to reduce the volume

# FSM National Government Performance Measures

List the IGFOA performance measures where your office consistently achieves your target.

Timeliness of bank reconciliation

Which measure areas are most critical to you, as a finance manager?

Timeliness of bank reconciliation and # of days to process an invoice

Have you presented your performance measures to any other entity (the Governor or President, the Legislature, an NGO, the budget office?)

Have not

# FSM National Government Finance Office Challenges

What is the greatest challenge in your financial operations?

Our financial operations' greatest challenge is the reconciliation of accounts particularly travel advances, receivables and payables.

How could you resolve or improve that challenge?

We are monitoring such accounts and performing the reconciliation at least monthly. We are also planning to acquire a system that has the capability of reconciling the accounts with ease.

How would you measure whether your improvement plan is working?

Accounts are reconciled on time and the balances are accurate.

December 2016 Winter Conference

# **FSM National Government System Status**

Describe your financial management system: company & software name, what modules, how long it has been implemented. FSM National Government has been using the FundWare financial management system by Black Baud since 2008 with general ledger, accounts receivable, accounts payable, budget and payroll/personnel modules.

Describe the service & maintenance plan used for your software: cost, response time, # hours, etc The service and maintenance of the software is provided by an independent contractor 24/7 remotely and annual visit to the site.

List the feature you like the most in your software and your biggest problem.

Most of the required reports can be obtained with ease. However, bank reconciliation can't be performed, fixed asset module can't be used and most of the subsidiary ledgers balances do not agree with the general ledger balances. We need the tax system to be part of the FMS.

FSN	/ National	Governmei	nt Performa	ance Measi	ures
Timeliness of Bank reconciliation	Fixed Asset Inventory	# days to process an invoice for a federal grant	Collection of outstanding advances	Federal Grant Receivables	Revenue Estimates
Status of 9-30 bank reconciliations	Physical inventory completed at 9-30-16?	Average days to process an invoice FY15	% of advances outstanding over 90 days at 9-30-16	Ratio of receivables to revenues for FY15	% variance of the actual revenue to estimated revenues FY15
All accounts are completed.	Completed	3 days	71%	4%	3%
What is your target # days?	Any fixed asset findings on the audit?	What is your target # days?	What is your target 557	What is your target?	What is the target?
To complete the reconciliation process within 30 days.	There is no fixed asset finding on the audit for FY 15.	To complete the process within three (3) days.	To collect outstanding advances or require the traveler to make payroll allotment before processing of the next travel authorization.	To collect the receivables on a timely manner and ensure that receivables are not outstanding for more than ninety (90) days.	To have more accurate estimates.
Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year	Compare to prior year
Bank reconciliations are completed in the same period/time.	Physical inventory was completed in FY 14. However, there was fixed asset audit finding in FY 14.	invoices were processed within three (3) days.	filling statement was not sent to travelers on a monthly basis.	Prior year's receivables ratio to revenues was 47%.	The variance was 1% more.
Improvement plan?	Completion plan?	Improvement plan?	Improvement plan?	Improvement plan?	Improvement plan?
To monitor cash receipts and disbursements on a daily basis.	To complete physical inventory and tagging before the end of fiscal each year.	invoices should edequately be supported to avoid delay in processing.	To reconcile the account and send billing statement to the travelers on a monthly basis.	To reconcile and monitor federal grant receivables on a monthly basis.	To closely monitor and compare the actual revenue against the estimates.

# What is one recent finance office accomplishment you would like to highlight?

FSM National Government was able to reduce audit findings and questioned costs in FY 15: from thirteen (13) audit findings in FY 14 to seven (7) in FY 15 and from a total of \$582,384 questioned costs in FY 14 to a total of \$28,936 in FY 15. We also resolved some of the prior years questioned costs and in the process of resolving all prior years questioned costs before the end of March 31, 2017.

## Invoice Payments Performance Measure

Why is this measure important?

What will it take to achieve the targets?

It is essential to track payments to vendors because government should be concerned about the timeliness of payments. If vendors receive payment on time, their confidence and trust to the government will improve. Measure indicates the efficiency and effectiveness of the finance office.

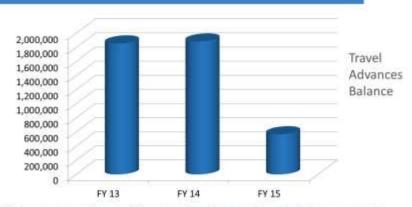
Our finance office is targeting to complete the payment process within three (3) days. To accomplish the target, vendors and departments should be informed that invoices submitted should be sufficiently supported.

December 2016 Winter Conference

#### Travel Advance Collection Performance Measure

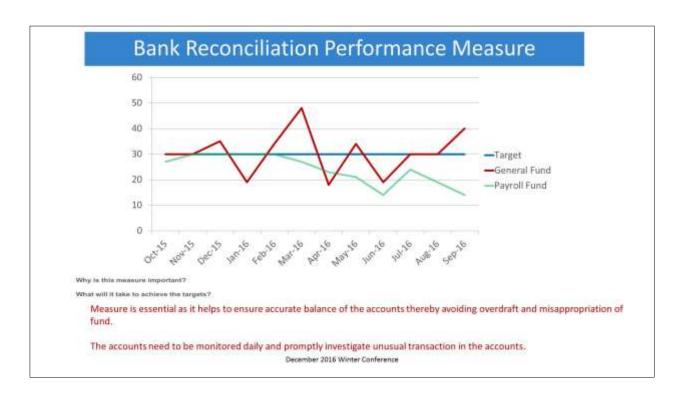
Why is this measure important?

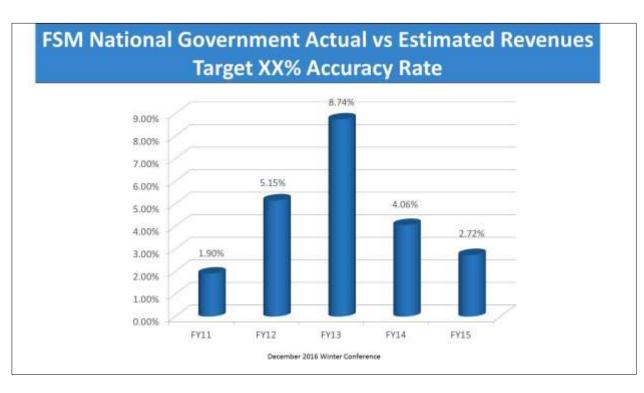
What will it take to achieve the targets?



Measure is important because it shows compliance of the travelers to our Financial Management Regulations and how effective is our finance office in implementing such regulations.

Finance office should monitor and reconcile travel advances account and regularly send billing statement to the travelers.





## **Performance Measures**

What other performance measure(s) do you use in your finance operations?

Insert your comments here

Describe how you use your performance measures. Be sure to include use for IGFOA meetings, discussions with staff, when you report measures to leaders, etc.

Insert your comments here

# APPENDIX C-PROCURING A NEW FINANCIAL MANAGEMENT INFORMATION SYSTEM

# Financial Management Systems Acquisition & Implementation

BEST PRACTICES AND BIG MISTAKES

Debbie Milks 2016 IGFOA Winter Conference Honolulu, HI

## Financial System Acquisition and More

- The keys and the stumbling blocks to success
  - · Real life stories
  - The acquisition process
- Major components of the needs analysis & RFP
  - Each of the building blocks
  - Level of detail
  - Requirements listing exercise
- The chart of accounts—the foundation of a good system.
  - Chart of Accounts exercise

#### Where I'm coming from

- 1976-78 Arthur Andersen Consulting—Programmer for Accounts Payable system for the Statewide Accounting for Missouri (SAM); accounts receivable & inventory interfaces for Hallmark Cards; recovery of personnel master files for Amtrak; accounting system user training at Yellow Freight
- 1978-85 TTPI—Systems liaison & training for legacy FMS then system selection, project management & chart of accounts design for initial stand-alone implementations of Dilog in Micronesia
- 1986-95 Deloitte—Multiple systems projects including back-office accounting & reservations for hotels, point of sale for retail businesses, utility billing implementations at PUAG, ASPA & CUC, continuing support & training on Dilog installations in ASG & Micronesia
- 1995-current Y2K & Wang to Unix upgrades FSM & ROP & multiple stateside Dilog users, assistance to RMI for system selection, assistance to FSM in project management & COA design, review & mitigation of Oracle implementation in Guam, etc, etc

# The Acquisition Process

IF YOU DON'T KNOW WHERE YOU ARE GOING YOU WILL END UP SOMEPLACE ELSE

# System Failures

ALTHOUGH EVERY ORGANIZATION HAS DIFFERING DEFINITIONS OF "SUCCESS" AND "FAILURE," MORE COMPANIES ARE DEFINING THEIR PROJECTS IN 2015 AS FAILURES WHEN COMPARED TO PREVIOUS YEARS (21% THIS YEAR COMPARED TO 16% LAST YEAR).

# System Failures

COMMON FACTORS THAT CONTRIBUTE TO A FAILED SYSTEM IMPLEMENTATION:

- fuzzy requirements
- organizational resistance to change
- going live at all costs
- expectation gap of over promising and under-delivering
- expecting software to fix broken business processes

- custom coding the system
- scope management
- no experience running an RFP for selection
- failure to properly check the vendor's references
- not enough involvement in the process by the government staff
- poor (or no) Quality Assurance process

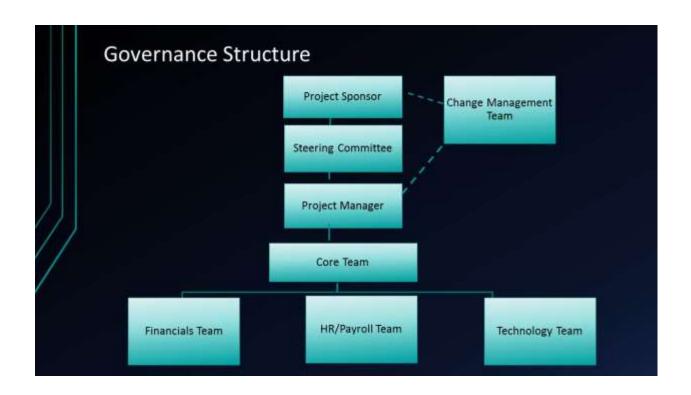
# System Failures

THE BIGGEST FACTORS THAT CONTRIBUTE TO A FAILED (OR POOR) SYSTEM IMPLEMENTATION IN THE SHORT TERM:

- Lack of dedicated, longterm, non-political project governance
- Lack of knowledgeable, independent consultants

THE BIGGEST FACTOR THAT CONTRIBUTES TO AN INADEQUATE SYSTEM IN THE LONG TERM:

 Failure to follow through with consistent, repeated post-implementation training and support



#### Governance Roles

#### PROJECT SPONSOR

- Cut across organizational & political boundaries
- "Sell" the project, continually, to stakeholders, citizens, legislators
- Provide efficient decision making
- Champion, not a bully!
- Find the budget and personnel resources needed
- Chair the Steering committee

#### PROJECT MANAGER

- Responsible for day to day management
- Should be very familiar with government business processes
- Solid accounting/budget background with IT familiarity
- Needs time management skills, communications skills and ability to supervise and delegate
- Should have confidence and respect of Steering committee & teams

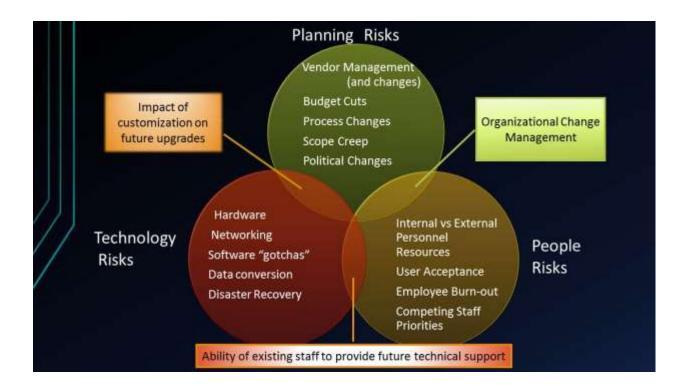
#### **Governance Roles**

# STEERING COMMITTEE SHOULD ADVISE ON:

- Policy changes
- Major process changes
- Reorganizations
- Project budget issues
- Changes in the project timeline
- Priorities
- NOT involved in managing the project but tracks progress and risks

#### WHO IS ON THE COMMITTEE?

- Heads of the major stakeholder departments
  - Finance
  - Budget
  - Procurement
  - Personnel
- Legislative representative
- Executive representative



Government	Company	Software	Since
FSM—5 govt's	Blackbaud	Fundware	~2004 2000 - Yap
Guam	Data Management Resources	FIRM/400 & TPS	Early 80's
RMI	Aptean	4Gov	2003
CNMI	JD Edwards	One World	1997
ASG	Sungard-BiTech	OneSolution (IFAS)	~1998
VI	Tyler Technologies	Munis	2008
ROP	Aptean	4Gov	1983

Delity	Software	Comments
Washoe County School District	Sunguard Business Plus (may have recently changed names)	Has the ability to do a lot. Using AP module and that is working well. Have 6 part 21 digit accounting code that is working well. Manually track prepaid and adjust at year end
City of Reno	Tyler Technologies, New World System	Could likely do prepaid purchases but no one has learned how to do it. Currently handling via JE monthly.
Carson City	Sunguard Public Sector	Has ample subsidiary ledgers, some of which are not used. Prepaid purchases handled via sent to Prepaid account during AP process, manually tracked, and JE'd out.
Tonganoxie, KS	Tyler Technologies, Incode 10	Cloud solution, 2 months since "go-live", likes Tyler support and implementation team. Data conversion was a "gotcha". Only has a couple of grants.
Lawrence, KS	Harris Technology, Innoprise	Looking for a new system. Budgeted \$70K for a systems requirements study.
Mission Hills, KS	Accufund	Population 3,500. Third richest city in the US. 37 in city govt

### Financial Systems turnover

**Nov. 30, 2015** FIS acquires SunGard, one of the world's leading software and technology services companies. This acquisition propels FIS to a \$9.3 billion company and uniquely positions it to offer a broad range of retail, enterprise and wholesale banking and payments capabilities that will further empower the financial industry worldwide.

Oct 01, 2015 Tyler Technologies, Inc. (NYSE: TYL) today announced it has signed a definitive agreement to acquire privately held New World Systems Corporation for \$670 million in cash and stock. New World Systems, a leading provider of public safety and financial solutions for local governments, will bring an important element to Tyler's portfolio of solutions.

# City of Aspen, CO

### DEMOGRAPHICS

A TOWN WITH POPULATION 6,500 (UP TO 30,000 DURING PEAK TOURISM).

ASPEN ALSO OPERATES LIKE A BIGGER CITY

INCLUDES A STRONG ADMINISTRATIVE STAFF THAT CAN SUPPORT AN IMPLEMENTATION OF THIS COMPLEXITY

### **BUSINESS CASE**

ASPEN'S LEGACY FINANCIAL SYSTEM, EDEN, WAS NOT ADEQUATELY SUPPORTING BUSINESS PROCESSES

ASPEN HAD DIFFERENT SOLUTIONS RUNNING, IN ADDITION TO MANUAL PROCESSES AND SPREADSHEETS

A NEW ERP SYSTEM COULD FULLY INTEGRATE THE CURRENT SOLUTIONS
THAT BROAD ISSUE TRIGGERED A NEEDS ASSESSMENT
HIRED GFOA FOR ABOUT \$17K TO COMPLETE TO COMPLETE THE BUSINESS
CASE.

# City of Aspen, CO

### PROCESS

ONCE WE HAD A GOOD CASE FOR A NEW ERP, WE CONTRACTED WITH GFOA TO HELP WRITE THE RFP, COACH US THROUGH THE SELECTION PROCESS, AND NEGOTIATE THE CONTRACT.

THE RFP AND ADVISORY SERVICES COST \$16K, AND THE CONTRACT NEGOTIATIONS \$13K.

### ALL WELL WORTH IT

FROM THE START OF THE NEEDS ANALYSIS TO FINAL CONTRACT NEGOTIATION
THE PROCESS TOOK A LITTLE OVER A YEAR AND A HALF TO COMPLETE.
SELECTED ORACLE CLOUD SOFTWARE
TURNED DOWN SAP BECAUSE IT SEEMED TOO COMPLEX AND SOPHISTICATED,
BEYOND OUR NEEDS

# City of Aspen, CO

IMPLEMENTATION TEAM

HIRED A TERMED CONTROLLER FOR 2 YEARS TO FILL REGULAR CONTROLLER'S ROLE.

REGULAR CONTROLLER IS UTILIZED AT LEAST 80% ON THE PROJECT.

CONTRACTED WITH FORMER ASSISTANT FINANCE DIRECTOR TO ACT AS THE PROJECT MANAGER FROM THE CITY SIDE -- HER WORK AMOUNTS TO ABOUT 25 HOURS PER MONTH.

HIRED CHERRYROAD TECHNOLOGIES AS THE IMPLANTATION FIRM

DURING CONTRACT NEGOTIATION, BEGAN REDESIGNING THE CHART OF ACCOUNTS, MAKING DATA CONVERSION DECISIONS, AND OTHER BUSINESS PROCESS ASSESSMENTS IN PREPARATION

# City of Aspen, CO

### SCOPE

- FINANCIALS,
- PROCUREMENT (INCLUDING PUNCHOUT CATALOGS, LIKE ONLINE SHOPPING WITH PO'S),
- PROJECT MANAGEMENT,
- EXPENSE REPORTING (INCLUDES PCARD RECONCILIATION),
- HUMAN CAPITAL MANAGEMENT, BENEFITS, PAYROLL (NOT TIMEKEEPING RIGHT NOW),
- PLANNING AND BUDGETING.
- ALREADY HAVE THE ORACLE SOLUTION FOR PERFORMANCE MANAGEMENT, AND ARE EXPANDING THAT TO INCLUDE RECRUITING AND ONBOARDING.

# City of Aspen, CO

IMPLEMENTATION COSTS WILL BE ABOUT \$1.2M ANNUAL CLOUD FEES ARE \$245K.

SAVE ABOUT \$120K/YEAR ON THE ELIMINATED SOFTWARE FEES OF THE SYSTEMS BEING REPLACED.

OTHER SAVINGS INCLUDE INTERNAL IT SUPPORT AND SERVER HARDWARE, ETC.

ALTHOUGH IT IS A NET INCREASE IN COST FOR THE NEW SYSTEM, BENEFITS INCLUDE:

EFFICIENCY

TRANSPARENCY

IMPROVED REPORTING

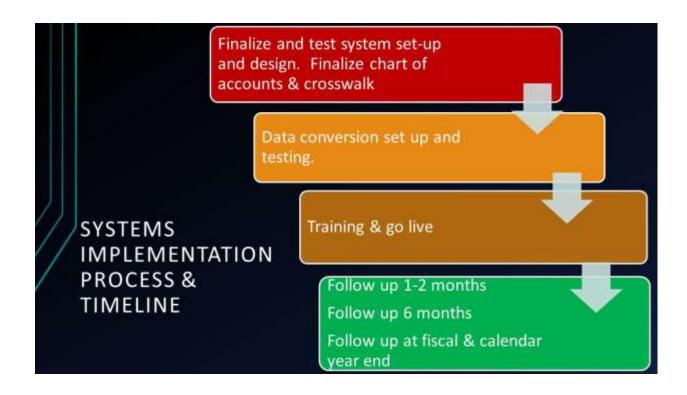
REDUCED ERRORS

**BUSINESS PROCESS CONTINUITY** 

MOBILITY & JOINING THE 215T CENTURY

ELIMINATING NO POSITIONS, SIMPLY REDUCING THE TIME NECESSARY TO COMPLETE
ADMINISTRATIVE TASKS WHICH ALLOWS DEPARTMENTS TO FOCUS MORE ON OPERATIONS.





### Acquiring a New Financial Management System

The implementation of the new financial management system was established through governance structure comprised of stakeholders from GVI. However, GVI did not have the capabilities and sought out GFOA, developing the "ERPET" team (major stakeholders). The ERPET team comprised of key major stakeholders, DOF, OMB, P&P, and DOP, but also included DHS, VIDE, and DOH.

### What worked?

- Right size and diversity of the ERPET Team, not to small not to big
- Obtaining a good quality system at a good price.
- Implemented system that was compatible with implementations sent down by USDOE
- \* RFP process was shortened tremendously
- Third Party Fiduciary uses the same system.

### What did not work?

- Many of the processes from the old system (FMS) were being squeezed into the new systems
- Proprietor vs. Open technical assistance

### **Scripted Demos**

- Can take 1-3 days depending upon scope and size of government
- Walk through major processes module by module
- Look at chart of accounts set up
- Look at security options
- Review reports and report writers

- Minimize vendor marketing, but:
- Allow the vendor flexibility to demo features not included in the script

# Demonstrate the following for the period & fiscal year end process:

- The steps and procedures to close a period
- · The steps to reopen a period
- How to manage multiple open years in the system, with security restrictions on prior year entry
- How to perform multiple preliminary —rolls|| of the opening GL balances for a new year
- · Rolling open encumbrances into the new fiscal year.
- The process of adjusting or modifying prior year encumbrances while starting liquidations in the current year
- How budget adjustments associated with open encumbrances are generated for the general fund
- The final closing roll and —lock|| of the fiscal year balances



# Prepare a detailed RFP & distribute appropriately

- Include all the building blocks
  - Hardware expectations (may be a sub-contract or just a configuration for you to purchase independently)
  - · Software with a requirements checklist
  - Data Conversion
  - Training plan and cost
  - Implementation plan and phasing
  - User and IT Documentation
  - Maintenance agreement and cost
  - Enhancement process
  - References
  - RFP scoring criteria
  - Distribute to your "long list"

# BUILDING THE IMPLEMENTATION

Starting with the RFP

If we build a software implementation just like we build an office building, then most of our problems would go away. Before building an office building, an architect draws up detailed plans, builds models, and makes blueprints. At each stage, the plans are carefully and repeatedly reviewed. During construction, each step is tested and inspected.

# Building blocks of the RFP & Statement of Work Data Conversion

For each accounting area you determine

### Master files

- Convert & scrub
- Conversion date
- Using re-entry as a training tool

### Data files

- How far back
- How much detail
- History vs Open items (AP & encumbrances)
- Agreeing totals & documenting for audit purposes
- Scrubbing bad data
- Conversion date

Chart of accounts conversion Legacy system as history backup

### Building blocks of the RFP & Statement of Work Training Plan

- "Super users" vs end users
  - Included in the system design & set up
  - Understand the "back-end" tables, security, user defined controls
- Subject matter experts vs familiarity with all the modules
  - Initial boot camp for basics
  - Full functional application classes for each module
- Early training vs just in time training for end users
- On-line training options
- Technical training for the database & system administration

### Building blocks of the RFP & Statement of Work Implementation Plan

- Big bang or multiple phases?
- How much parallel testing?
- How long can finance be "out of business" during go live?
- What are the vendor's and client's staffing expectations?
- Does it include a timeline and critical milestones?
- Is there a definition of acceptance testing for each module?
- How is the follow up support structured?

# Building blocks of the RFP & Statement of Work Maintenance and Support Agreement

- Response time
  - · Elevating critical issues
- Days & hours they are "open"
- "Dial-in" support
- Site and training visits
- Upgrade process
- Primary contact at the vendor
- Primary contact in the government
- Documentation and communication of issues & resolutions

### Now we do some actual work I DON'T MEAN TO BETTER YET, YOU I'LL DESIGN THE FRIGHTEN YOU, BUT COULD BUILD THE SYSTEM AS SOON AS YOU'LL HAVE TO DO YOU GIVE ME THE USER REQUIREMENTS. SYSTEM, THEN I'LL SOME ACTUAL WORK. TELL YOUR BOSS THAT IT DOESN'T MEET MY NEEDS. THAT'S CRAZY TALK.

### The requirements checklist

- Focus on your differentiating criteria
- Look at "shadow" systems in the government
- Rank "must have" and "would be nice to have" features
- Seriously consider if your government wants to and will make major process changes based on an available function of the software
- Ask the vendor to respond:
  - · Yes, we have that feature
  - · The feature is provided by Third party software
  - · The vendor will Modify the program for that feature
  - · No, that feature is not available
- Organize the checklist by
  - Accounting module
  - Within module by narrative, general, process, reporting & inquiry, security

### Requirements checklist exercise

### Subject area

- Reporting & Communications
- Budget Prep
- Accounting (GL, Purchasing, AP)
- Payroll & Human Resources
- Grants Management

### Tasks

- List your differentiating criteria
- 5 features that you like in your current system
- 5 weaknesses in your current system
- Your top list of functions and features in each category
  - Processes
  - Reporting & inquiry
  - Security



### **Reporting & Communications**

- System defined reports which cannot be modified
- Allow side by side multi-period reporting with user defined reporting level
- User defined report writers for each module
  - Simple ad hoc reports for end users
  - Able to download (without major clean up) to Excel
  - Ability to categorize and save in a folder system
  - Allow masking, range selection, or specific selection on each dimension and attribute on the Chart of Accounts
- Produce Encumbrance by Fund and Accounts Payable by Fund for previous periods
- Cash disbursements by program/account

### **Budget Preparation**

- Ability for departmental users to submit (uploadable) budgets based upon a spreadsheet format and allow secured entry of proposed department budgets directly to the budget prep module
- Ability to lock or freeze additional budget entry at each budget phase by program or department unit
- Ability to apply budget to any specified level of the account structure (department, program, object or sub-object)
- Allows multi-year budget preparation
- Allows attached worksheets for justifications or calculations
- Creates budget journals from approved budget versions
- Allow budget by approved staff position

### Accounting

- On line budget control or budget checking at any level of the account
- Ability to attach scanned supporting documents to a transaction
- Security for reporting and inquiry at user defined account level
- Journals which must be balanced by fund & can be reversed without losing the audit trail
- System generated document control numbers by transaction type
- Allow multiple periods (fiscal year & months) open at the same time.
- Multiple posting for closing entries at year end, with automatic roll to next fiscal year
- Automatically generated budget entries for rolled open encumbrances
- Ability to account for multi-year projects on both a fiscal year and life to date basis, including budget control.

# **Grants Management**

- · Grant dates: beginning, ending, liquidation, renewal
- Reporting dates
- Report preparation
- Grant request and award database
- Grantor & grantee data (names, contacts)
- Life to date reporting
- · Performance data collection and reporting

# Chart of Accounts THE FOUNDATION OF THE SYSTEM

### CHART OF ACCOUNTS

What is it?

Organize

Separate

Classify

Best practices in design

How it is used

Segments of the account string represented in the chart:

### **Funds**

Fund type & Fund source

### Accounts

- Balance Sheet
  - Assets & Liabilities & Fund Balances
- Income Statements
  - Expenses & Revenues

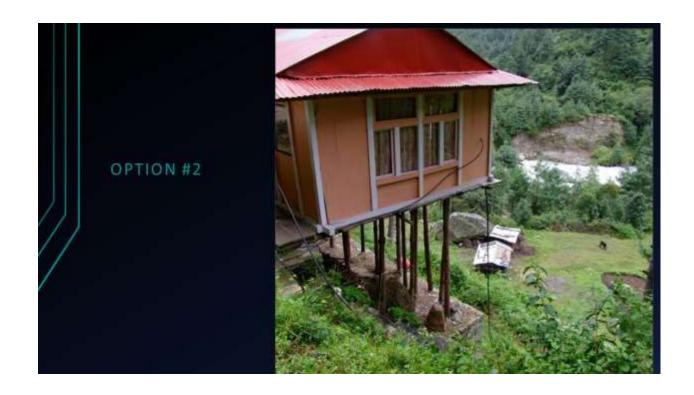
### **Government Organization**

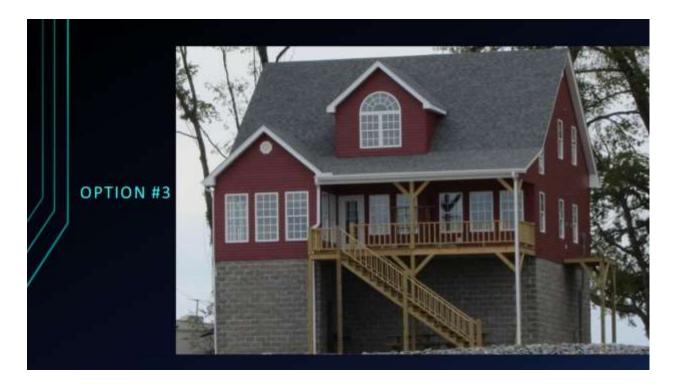
Branch, Ministry, Division, Org Unit

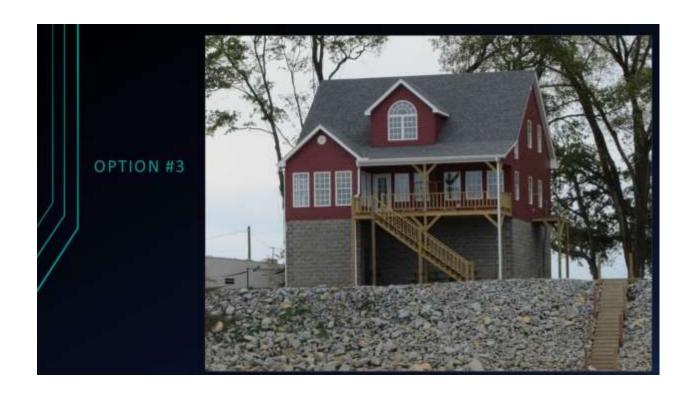
**Programs & Projects** 

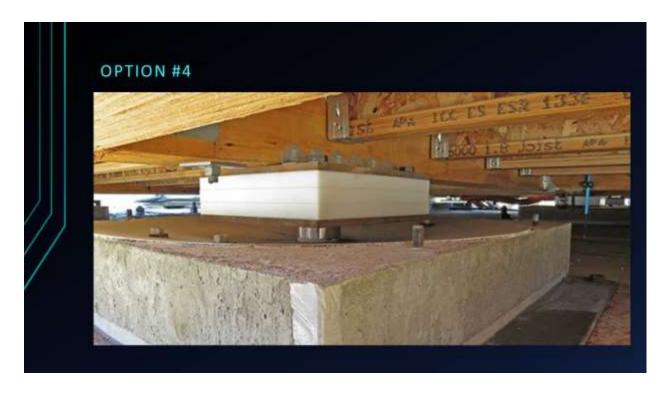
Activities, Tasks











# CHART OF ACCOUNTS DESIGN

Best practices

- Identify shared information in the COA to reduce the number of characters.
- Simple is always better but be prepared to have a chart of accounts "czar".
- Infer important reporting information.
   Don't make the end users have to remember all the codes.
- Set up the structure to have the ability to adapt over time.

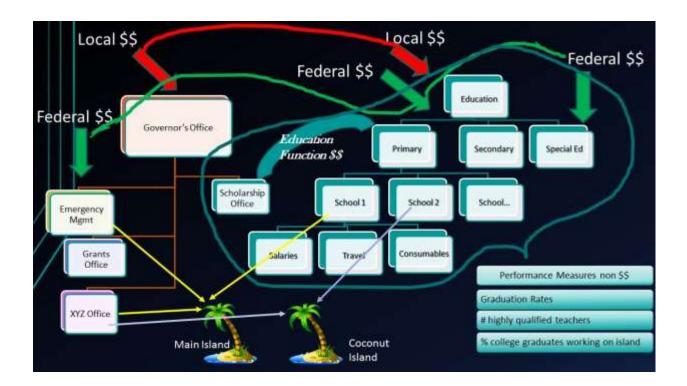
# CHART OF ACCOUNTS DESIGN

More Best practices

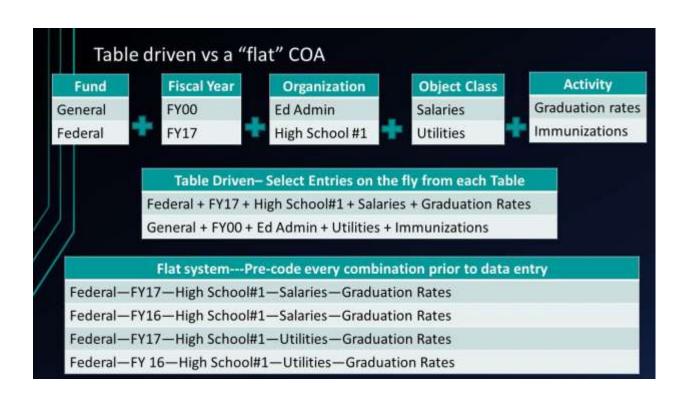
- Make basic financial reporting easy
- Make grant accounting and reporting easy
- Make funds control (and changes in funds control policy) easy
- Use the functional (not organizational) structure to define Statement of Activities
- Set up the structure to capture component units
- Use the Treasury fund and Payroll fund features
- Take advantage of COA options to report single Fiscal Year as well as Life to Date

### Chart of Accounts exercise

- By island group
  - Describe the "ownership" of the chart of accounts
    - Who adds new accounts
    - Who maintains it
    - · What problems are associated with the maintenance
  - Describe features that work
  - Describe features that don't work (or that you wish you had)
  - What routine reports cannot be produced directly from your system due to failures in the chart







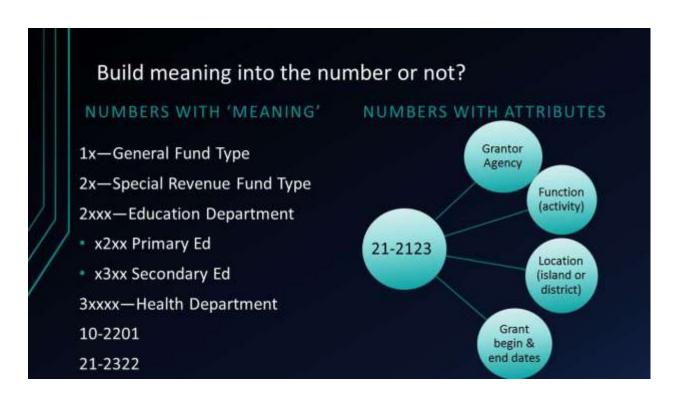
### Table Driven vs Flat COA

### TABLE

- More flexible
- Easier reporting
- Easier maintenance (can open or close one segment quickly)
- Use only those account combinations which are needed
- Allows end users to make some COA decisions

### FLAT (LINEAR)

- Presumably allows only valid combinations (only if the COA czar is paying attention)
- Either slows down data entry when new accounts are needed OR ends up with COA bloat (creating a bunch of accounts which never will be used)
- Usually only one description allowed



# **Takeaways**

- Follow the process
- Get help
- · Plan to take the time to do it right
- Get enough \$\$
- Bring in stakeholders from the start
- Work on the details
  - RFP
  - Set up
  - Chart of accounts design

# APPENDIX D—PRESENTATION BY MR. MACHIDA, HAWAII DEPARTMENT OF BUDGET AND FINANCE



# Discussion on State of Hawaii's Significant Obligations and the Efforts to Deal with It: Slides 3 − 10 State of Hawaii's Federal Grants Management Program: Slides 11 − 20 State of Hawaii's Enterprise Resource Planning Efforts: Slides 21 − 25

## State of Hawaii – Dealing with the Significant Obligations

- ▶ The September 2016 ratings reports issued to the State of Hawaii noted its high debt obligations:
  - Standard & Poor's "Hawaii's debt ratios, as of June 30, 2015, on a per capita and percentage basis were high, in our view, with direct state debt approximately \$6.48 billion, or \$4,524 per capita, 9.5% of total state personal income, and 8.1% of state GDP, among the highest of all the U.S. states."
  - Moody's "Hawaii compares unfavorably with other states on measures such as debt ratios, pension funding levels, and OPEB liabilities. Debt per capita is \$4,557 ranking Hawaii third highest among the states and over four times Moody's 50-state median of 2.5%."
- Yet the State of Hawaii received upgrades from both agencies:
  - Standard & Poor's From AA to AA+
  - ► Moody's From Aa2 to Aa1
- So what has the State done to deal with its significant debt that still enabled it to get the
  upgrades



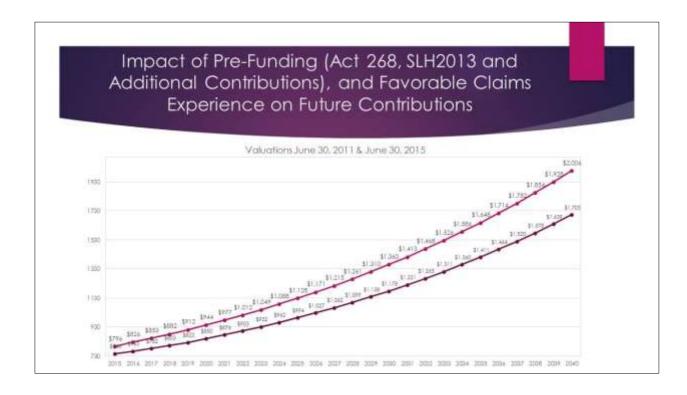


# Reform Pension and Health Benefits

- Escalating pension and health benefit unfunded liabilities to the State of Hawaii amounting to about \$16 billion (total unfunded liability of about \$20 billion) was a concern and solutions were needed to deal with his large obligation:
  - Pension reforms were adopted in 2011 that significantly reduces the cost to the State by about 3 times per year.
    - All components of the pension calculation was changed for new hires in all employee groups such as but not limited to a lower multiplier, increased vesting period, increased retirement age eligibility, and lower interest earnings credited to employee contributions.
    - Overtime was eliminated from the pension calculation for new hires and employers are required to fund the pension system for those employees found to have increased ("spiked") their compensation during their last 10 years of employment.

# Reform Pension and Health Benefits Continued

- Escalating pension and health benefit liabilities to the State of Hawaii amounting to about \$16 billion was a concern and solutions were needed to deal with his large obligation (continued from previous slide):
  - State mandated employer contributions beginning in 2015 to fund/pre-fund health benefits or other post employment benefits (OPEB).
  - State began pre-funding in 2014 ahead of schedule resulting in the reduction of estimated future contributions of about \$450 million.
  - III. OPEB Trust is now about \$1,7 billion from about \$400 million a few years ago.
  - Proposal to prevent adding beneficiaries after retirement will save millions of dollars in added liabilities



### Why Its Important to Address State's Obligations

- December 2 2016 Bond Buyer Article Why Some Investors Are Rethinking State GOs
  - State credit ratings and outlooks took a beating in 2016, as the three largest rating agencies expressed concern
    about revenue lass, pension liabilities, and other difficult-to-solve problems that governments are wrestling with
    in many states.
  - Since the beginning of the third quarter of 2016, Moody's Investors Service upgraded Hawaii to Aa1 from Aa2, but downgraded Alaska to Aa2 from Aa1 and New Mexico to Aa1 with a negative outlook from Aaa. The agency also took a negative review action on Mississippi. All fold Moody's has negative outlooks on 11 states.
  - Since October, S&P Global Ratings has downgraded New Mexico, Illnois, and New Jersey. On Wednesday S&P cut its outlook to negative on a 10th state. Connecticut. Fitch Ratings has three states on negative outlook and a fourth on rating watch negative.
  - A few states are struggling to balance their budgets for the current and/or next fiscal year, and some are drawing upon reserves to close budget gaps." Moody's said in a late October report. "State debt levels remain mostly static, while pension liabilities have begun to rise again due to poor investment returns."
  - Marilyn Cohen, chief executive officer at Los Angeles-based Envision Capital Management, said she believes
    that many states are going to see their debt ratings continue to slide if they do not offer their behaviors, and
    that years of deterring dealing with pension costs are going to catch up with more and more GO issuers.

# Established Formal Reserve Policy and Conducted Debt Studies

- Issuing a Debt Affordability Study Determines whether current and future resources are sufficient to meet escalating obligations. Looks at recommendations to better ensure that future obligations can be paid down within a reasonable time.
- Issuing a Debt Management Policy for the State Legislature to consider— Looks at implementing best practices that will help to ensure that the State manages its debt in the best way possible.
- Moody's upgraded the State's bond rating because it "reflects the state's positive economic and revenue trends, the restoration and maintenance of sizable reserves, and proactive measures to improve the funding of its pension and OPEB liabilities."

# Overview of the State of Hawaii's Federal Grants Management Program

- State of Hawaii receives about \$2.5 billion annually in federal awards
- Represent about 20% of the State's total revenue
- 14 State Departments expend federal funds each year
- Decentralized system for managing federal funds

# Challenges Facing Hawaii's Federal Grants Management Program

- Complex federal and state systems to expend monles
- Turnover of personnel insufficient knowledge transfer
- Inadequate tools to assist State managers with meeting federal compliance requirements
  - ▶ Training
  - Reliance on paper-based approval process
  - Antiquated computer systems
  - Variation in practices by department

# Deficiencies Identified in Single Audits

- Insufficient:
  - Internal accounting controls
  - Information technology general controls
  - Reporting
  - Sub-recipient monitoring
- Unallowable costs
- Expenditures outside at the period of performance
- Difficulty in expending federal CIP funds where the State is the prime recipient and the expending agency is a nonstate sub-recipient
- Unable to finely drawdown and expend federal funds in a timely manner:
  - FHWA Apportionment Funds
  - FAA Airport Improvement Program Grant Funds
  - ▶ EPA Crinking Water State Revolving Fund Loan Program.
  - HUD Native Hawalian Housing Block Grant

# FHWA Apportionment Funds

14

Balance as of January 2015: \$720 million
 Balance at the end of FFY 2015: \$656 million
 Balance at the end of FFY 2016: \$548.5 million
 Goal for end of FFY 2017: \$527 million

► Goal for end of FFY 2018: \$450 million

- HDOT recently received commendation from FHWA for reducing the pipeline balance by more than \$100 million for the second year in a row.
- Current balance is the lowest pipeline balance since FFY2000.
- Ending balance of \$450 million was set by FHA and agreed to by HDOT. It represents the amount in obligated projects that will be in place at the end of FFY18.

# FAA Airport Improvement Program Grant Funds - continued

15

- AIP grants sunset after four years.
- FAA targets are heavily weighted to expend the majority of funds by the second year. First year expenditure targets are particularly aggressive and are rarely met, nation-wide.
- HDOT has generally been able to meet third and fourth year expenditure targets.
- To improve performance, HDOT is modeling practices of San Francisco International Airport, the only airport in the country that has successfully met FAA first year expenditure targets.
- Instituting \$1000 federal placeholders in the budgeting process, which will greatly facilitate meeting first year expenditure targets.

# EPA Drinking Water State Revolving Fund Loan Program

16

Federal Balance as of January 2015: \$33.6 million

Federal Balance at end of SFY 2015: \$23.298 million

Federal Balance at end of SFY 2016: \$10.49 million

Federal Balance as of 9/1/16: \$2.316 million

- During SFY16, DWSRF met all major milestones under the Corrective Action Plan submitted in January 2015.
- As a result, the DWSRF has received the entire EPA capitalization grant award of \$8,312,000 for SFY17.
- Corrective Action Plan set to end in summer/fall 2017.

# HUD Native Hawaiian Housing Block Grant

17

▶ Balance as of January 2015 \$60.127 million
 ▶ Amount expended in SFY 2015: \$14.1 million
 ▶ Amount expended in SFY 2016: \$11.7 million
 ▶ Unexpended Balance as of 8/31/16: \$44.354 million\*

► Additional planned expenditures SFY16; (\$1.5 million)

 Anticipated Unexpended Balance at end of SFY16;

\$42.854 million

### HUD Native Hawaiian Housing Block Grant continued

18

Unexpended Balance as of 8/31/16: \$44.354 million

▶ Less encumbrances: (\$14,732 million)
 ▶ Unencumbered Balance: \$29,622 million
 ▶ Additional Planned Encumbrances SFY16 (\$16,043 million)

Additional Planned Expenditures SFY16 (\$1.5 million)

Anticipated Unencumbered Balance

at end of SFY16: \$12.079 million

## HUD Native Hawaiian Housing Block Grant - continued

19

- \$1.5 million in planned expenditures loans to beneficiaries for Kapolei rental conversion project.
- \$16.043 million in planned encumbrances water infrastructure improvement projects on Moloka'i (\$10 million) and Kaua'i (\$6 million) expected to be put out to bid. Currently awaiting preliminary engineering reports.
- FY15 allocation of \$8.7 million received on 7/7/15. Zeroed out in FY16. At Governor's urging, \$500,000 allocated in President's budget for FY17, increased to \$5 million by Senator Schatz. Bill is still pending.

# Process Improvements

- Federal Award Performance Report:
  - Reporting process to assist departments manage federal awards by tracking revenues, expenditures and encumbrances.
  - Data from two different databases, FAMIS (Financial Accounting Management Information System) and FAMS (Federal Awards Management System), is aggregated into one report.
- ➤ Federal Awards Form FF workflow:
  - Electronic budgeting process for major, recurring federal awards
  - Creates central repository for all major, recurring awards (excludes competitive grants)
  - Assists with version control, modifications can now be tracked.
  - B&F. DAGS and departments now using single: uniform workflow.
- Federal Award Form E process workflow (in development).
- The State of Hawaii is attempting to improve its information Technology Systems:
  - Payroll Administration System
  - Financial Accounting/Management System.

# State's Enterprise Resource Planning (ERP) Efforts

- ERP functional areas include:
  - Human resources
  - Payroll
  - Time and attendance
  - Finance
  - Grants
  - Acquisition
  - Asset management
  - Budget

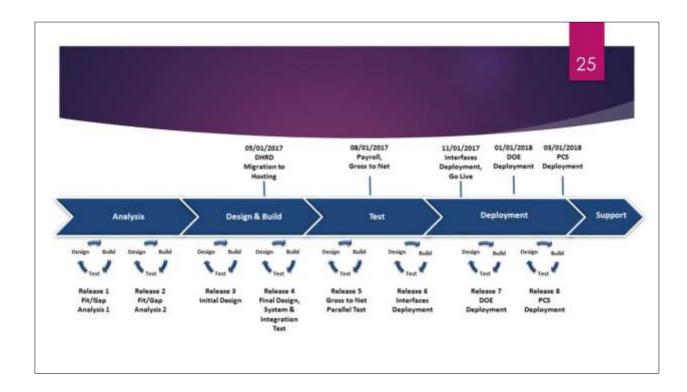
# Enterprise Resource Planning

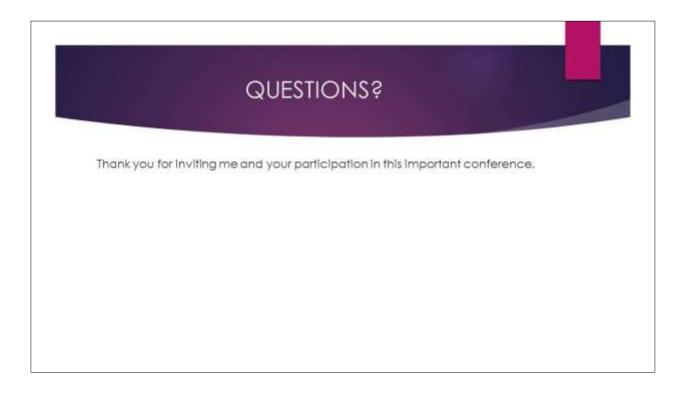
- In March 2015, Governor Ige cancelled the single ERP procurement process and directed the State's technology team to focus on targeted projects. Reason®;
  - Cost of Single ERP (More than \$100 million was authorized)
  - Desire to get better value from smaller systems
  - Lack of qualified state personnel available to support project
  - Lack of dedicated personnel to support the project
  - Needed dedicated leaders in critical functional areas
  - Lack of independent project monitor and oversight
  - Desire to demonstrate results within two years

# Payroll Modernization

- February 2016, State of Hawaii Issued a RFP to modernize its payroll and time and attendance systems.
- October 2016, CherryRoad Technologies and Pacxa were given notice to proceed on HawaiiPay project.
- \$41.5 M. contract
  - ▶ \$16.7 M Implementation
  - \$24.8 M ongoing services and maintenance

hock	Activity	Activity Defails	Skort Dole	End Date	24
Functional	701 Requirements Analysis	Description: We will review the Itale functional requirements submitted through the Bequest for Proposal (RFP) to validate their meaning.  Colection: Create single, stoke wide, understanding of the requirements for the project final will drive RF/Cop L and RF/Cop 2 meetings.  Results: Documented clarification of RFP requirements and potential new requirements.	11/22/16	1272/14	24
functional	PO2 Release 1 FII/Gap Analysis meetings	Description: Utiliting data converted from DACS and data from DRD we will run a rample parks in Preposated HCM 9.2 and compare how delivered Propietial HCM 9.2 functionally meets the 11de functionally meets the 11de functional requirement.  State Class Description extent delivered Propietion HCM 9.2 Payroll functionally meets State functional requirements.  Results: Documentation of State functional requirements that are a "RT" (requirement is not met by delivered Propietion HCM 9.2 functionality) or "GAP" (requirement is not met by (belivered Propietion HCM 9.2 functionality) and requires an embandement of process change to be medi.	1/2/2017	1/13/2017	
Business Process	80) PeopleSoft Business Processes meetings	Description Review of the delivered PeopleSoft HCM 9.2 flushess Processes Maps (BPMs). The PeopleSoft HCM 9.2 EPMs are cross-functional flow diagrams that will serve as the starting point for the State's "To Be" business process design.  Cibipolitys: Understanding of the delivered BPMs.  Results: Understanding of the delivered BPMs.	1/16/2017	1/20/2017	
Functional	PO3 Release 2 PH2Gap Analysis	Description: Utilizing data converted from DAGS and data from DHID we will review additional Peoples of tructionality polyand processing a payrot) and compare frow delivered Peoples of HICAT 9.2 functionality meets the State functional requirements. <u>Chiechier Descriptions extend delivered Peoples of HICAT 9.2 functionality meets. State functional requirements.</u> <u>Results: Documentations of State functional requirements that are a "Ril" pequirement is not tree by delivered Peoples of HICAT 9.2 functionality or "GAP" (requirement is not tree by delivered Peoples of HICAT 9.2 functionality and requirement embandement or process change to be met.</u>	2/6/2017	2/17/2017	





### **APPENDIX E – PERFORMETER**

# 2015 Performeter and A.F.T.E.R Analysis Update

Presentation to IGFOA 2016
Prepared and Presented by Frank Crawford, CPA
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# Topics for today

- A brief review of what the *Performeter* and A.F.T.E.R Analysis is (and what it is not...)
- Review of factors and circumstances contributing to the 2015 scores and causes
- Provide an update on the most recent 2015 Performeter scores and A.F.T.E.R. findings for 2015



# A brief review...

- The *Performeter* measures the financial health and success of a government using a scale that all users (including decision makers) can understand, 0-10, with 0 = poor, 5 = satisfactory, and 10 = excellent
- Uses financial ratios for the evaluation
- The evaluation is only as reliable as the information found in the annual audited financial statements, and most relevant when the information can be used in a timely manner
- Relevance and reliability are the key concepts in accountability



3

## A brief review...

The A.F.T.E.R. Analysis is very simple analysis of the status of audit findings, the timeliness of the submission of the audit and the resolution of certain audit exceptions; this analysis can be used to track a government's progress towards eliminating its most significant findings and exceptions, along with tracking the timeliness of submission to the Federal Clearinghouse.



#### Factors and Circumstances for 2015

- For most, the fiscal year ending September 30, 2015 was not a good one from the standpoint of the overall Performeter reading
- It was a tough year for the Flag Territories, with 3 of the 4 showing declines in their overall Performeter reading, with the lone exception posting its highest score in 10 years
- A similar outcome for the FSM and States. While the FSM National score remained stagnant, 3 of the 4 States had declining scores, while Chuuk was the lone State to actually increase their score. This outcome is the exact opposite of what happened in 2014
- Palau also suffered a decline, just one year after reaching a 5 on their score; they were done in by the effect of recognizing the unfunded liability related to the government's pension plan



5

#### Factors and Circumstances for 2015

- The RMI remains the model of consistency, with slight improvements in each year since their lowest score in 2008. They posted their highest score in 2015, and have been above a 5 now for five consecutive years
- For all governments except the FSM States and the RMI, the impact of GASB 68's pension requirements took its expected toll; however we have adjusted the Performeter benchmark model in order to not "overpenalize" the various governments with single employer pension plans
- For the FSM National Government, the RMI, and to some extent Palau, the Social Security programs offered by the government are at some of their lowest funding levels in the 10 years of analysis



#### Factors and Circumstances for 2015

- Most governments, even when considering component units, are receiving unmodified (formerly known as unqualified or clean opinions) on their financial statements, with only a few exceptions still remaining
- Only one government received unmodified (clean) opinions on both their Financial Statement audit and the audit of compliance with federal program monies (Single audit)
- A few even have no questioned costs, or very little questioned costs still remaining
- Nobody posted a quadruple single this year (clean opinions on both their financial statement audit and their compliance audit, had zero findings of internal control and zero findings of compliance and questioned costs. One government missed it by one finding



7

### THE PERFORMETER

Current Scores Based on FY15 Audit Data

#### A 7-10 SCORE INDICATES:

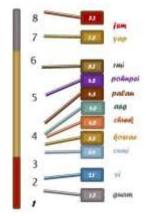
- repetitive positive performances for several years
- sufficient cash flows to pay vendors and employees
- relatively low tax and debt burdens per capita
- · ability to consistently live within their means

#### A 4-6 SCORE INDICATES

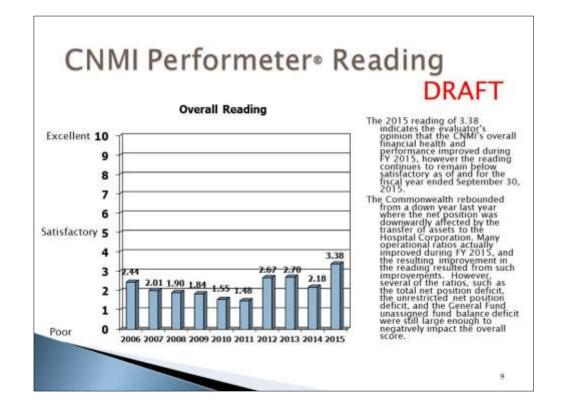
- lower than satisfactory levels of reserves
- satisfactory capital asset useful lives remaining
- moderate levels of tax and debt burdens per capita
- and the beginnings of cash flow issues that often delay on-time payments to vendors

#### A 0-3 SCORE INDICATES:

- significant unrestricted net position deficit and/or a deficit in their general fund unassigned fund balance
- · a significant tax and/or debt burden per capita
- · severe cash flow issues
- Making the deficit worse by incurring more expense than earning in revenue



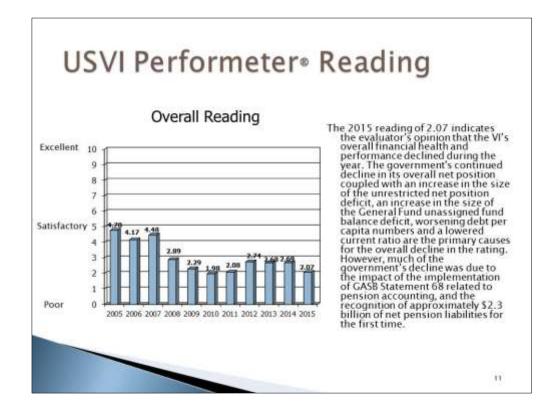




# CNMI A.F.T.E.R.

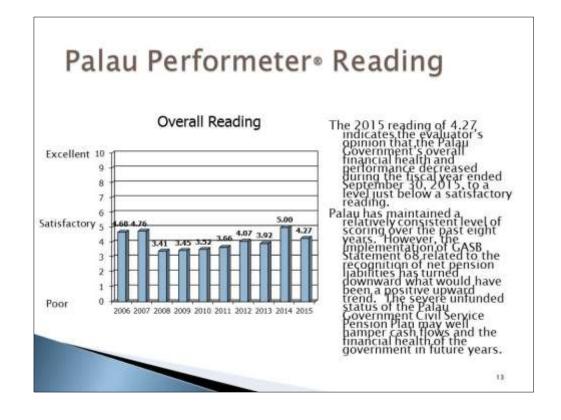
## DRAFT

	2008	2009	2010	2011	2012	2013	2014	2015
Number of P.S. Opinion Qualifications/Exceptions		2	1	6	3	7	2	5
Number of Major Federal Program Qualifications, Exceptions	5	5	1	9	8	7		8
Number of F.S. Findings A. Triennal Control and Compliance B. Internal Control Only C. Compliance Only TOTAL	15 2 15	18 1 1 19	15 1 15	19 3 22	2 tai ± 20	2 11 0 13	2 13 0 15	1 12 9 13
Percentage of Findings Repeated	42.5%	20.9%	100%	72.7%	72.7%	100%	60%	85%
Number of A-135 Findings A, Internal Control and Complence B, Internal Control Only C, Completice Only TOTAL	41 - - - 41	37  37	37 - - - - - - - - -	22 - 1 25	28 - - 28	0 29 1 30	2 36 0 38	22 0 5 27
Percentage of A-133 Findings Repeated	56%	75.7%	51.4%	36%	56%	50%	39.5%	39%
Number of words Y/E the F.S. were Released		:9	20	26	17	9	. 9	ž.
Number of Qualifications/Exceptions Related to C.U.	*	- 2	1	6.5	2	7.	- 2	+
§ of Questioned Costs-Current Year	\$7,183,461	\$4,817,031	\$5,403,038	\$4,723,661	\$6,620,492	\$30,208,091	\$3,754,204	\$3,200,953
6 of Questioned Costs-Cumulative	\$7,249,314	\$19,211,826	824,714,864	\$28,518,525	\$33,559,217	845,846,103	\$26,187,584	\$29,333,01
5 of Questioned Costs Resolved - Current Year	80	80	60	60	80	80	823,414,727	\$95.526

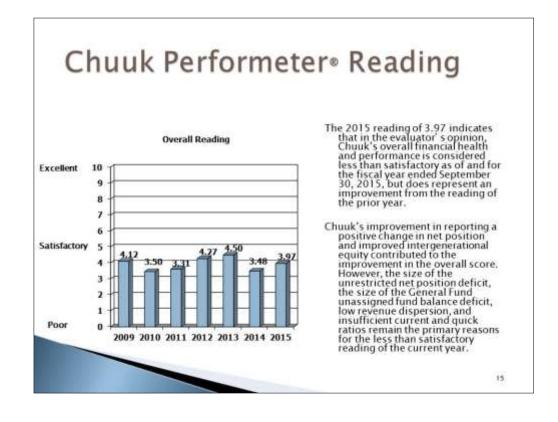


#### USVI A.F.T.E.R.

	2009	2010	2011	2012	2013	2014	2015
Number of F.S. Opinion Qualifications, Exceptions	B	9	9.	7	6	9	16
Number of Major Federal Frogram Qualifications/Exceptions	8	8	5	2	3	6	.9
Number of F.S. Findings A. Internal Control and Complence B. Internal Control Only C. Compliance Only TOTAL	1 10 0 11	1 8 9	1 7 0 8	a Q a	0 8 0 8	0 12 2 24	0 12 3 15
Percentage of Findings Reposited	100% (estimate)	100% (setwate)	100% (estimate)	100% (estimate)	100% (estamete)	300% (setmete)	100% (setmets
Number of A-133 Prindings A. Infarmal Control and Compilerus B. Infarmal Control Only C. Compilerus Only TOTAL	12 34 0 «	26 0 9 26	7 19 0 26	13 - - 13	14 0 0 14	96 0 84	57 0 0 8 57
Percentage of A-133 Findings Repeated	16.5%	65.4%	Unable to determine	Unable to determine	Unable to determine	300%	34%
Number ofmonths after Y/E the F-5: were Released	22	26	24	16	9	.12	9
Number of Qualifications/Exceptions Related to C.U.	3	*	5	\$	*	3	6
& of Questioned Costs-Current Year	\$57,292,304	\$744,885	12,490,612	85,328,464	80	81,172,407	8348,34
S of Questioned Costs-Curviletive	\$60,104,177	#99,957,932	\$3,235,497	\$5,730,775	-80	Unable to determine	Unable 1 determin
\$ of Questioned Costs Resolved - Current Year	\$8,944,995	\$891,130	557,721,390	\$833,186	\$5,730,775	Unable to determine	Unable ti

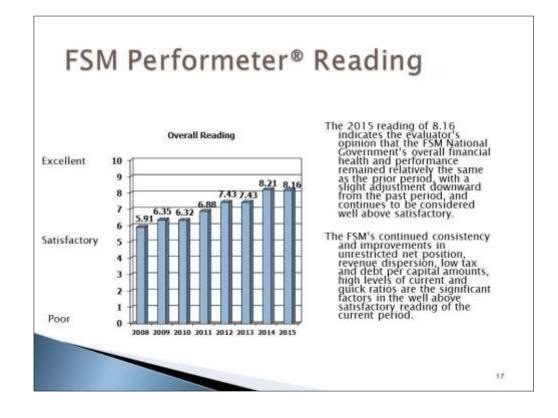


#### Palau A.F.T.E.R. 2009 2010 2011 2012 2013 2014 2015 Number of F.S. Opinion 0 ů. 0 0 10 Number of Major Federal Program 6 8 8 2 2. 7: 6 3 Qualifications/Exceptions Number of F.S. Findings A. Internal Control and Compliance B. Internal Control Only C. Compliance Only TOTAL 25% 80% 50% 33% 80% 80% 0% 0% Percentage of Findings Repeated Number of A-133 Findings 33 25 9 0 17 A. Internal Control and Compliance B. Internal Control Only 19 C. Compliance Only 10 TOTAL 60.1% 57% 47% 80% 29% Percentage of A-133 Findings Repeated 49% 14 22 13.5 9.5 Number of months after Y/E the F.S. were Released Number of Qualifications/Exceptions Related to C.U. \$577,977 \$967,990 \$1,668,099 \$536,502 \$763,346 \$183,000 \$72,575 \$254,018 5 of Questioned Costs-Current Year \$826,527 \$ of Questioned Costs: Cumulative \$557,949 \$1,559,418 \$427,409 of Questioned Costs Resolved - Current



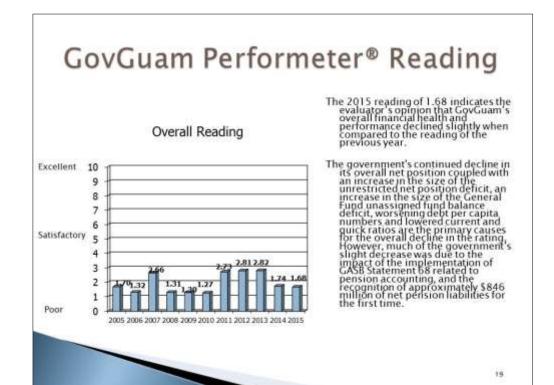
# Chuuk A.F.T.E.R.

	2009	2016	2011	2012	2013	2014	2015
humber, of F.S. Opmon Qualifications/Exceptions	3	1	1	a	2	2	2
Number of Major Federal Program Qualifications, Exceptions	- 1	-1	0	0	-1	1	0
Number of P.S. Findings A. Internal Control and Compliance B. Internal Control Cinig C. Compliance Only TOTAL	0 3 G 3	0. 1 0 1	6 6 8 8	9 + 8	0 5 Q 5	0 2 Q 2	0 2 0 2
Percentage of Findings Repeated	57%	0%	20%	50%	80%	100%	100%
Number of A-133 Printings A. Internal Control and Complance B. Internal Control Only C. Complance Only TOTAL	2 0 92 3	1 0 0 1	1 0 0 1	1 0 0 1	3 1 0 4	3 1 0 3	9 9
Percentage of A-133 Findings Repeated	.50%	100%	100%	100%	25%	20%	25%
Number of worktis Y/E the F.S. were Released	9	.9	9	. 9	.9	9	9
Number of Qualifications/Exceptions Related to C.U.		1	1	0	ü	0	d
& of Questioned Costs-Current Year	90	90	90	\$0	\$194,230	\$114,918	\$55,292
& of Questioned Costs-Cumulative	\$1,055,719	90	\$0	80	\$194,230	\$309,138	\$364,44
\$ of Questioned Costs Resolved - Current Year	\$1,000,607	\$1,055,719	90	\$0	\$0	50	\$0



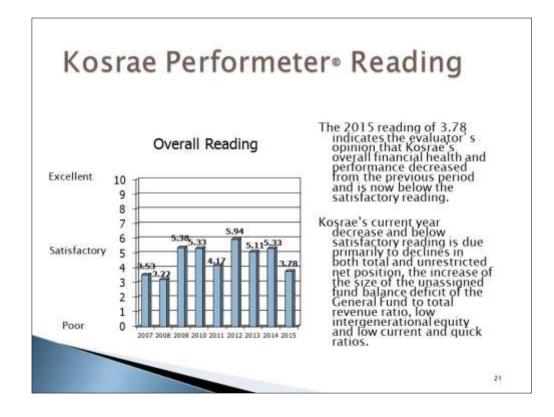
# FSM A.F.T.E.R.

	2008	2009	2010	2011	2012	2013	2014	2015
Number of F.S. Opinion Qualifications/Exceptions	10	.0	0	0	0	0	0	0
Number of Major Federal Program Qualifications/Exceptions	4	3	4	3	3	1	6	1
Number of F.S., Findings A. Internal Control and Congliance B. Internal Control Only C. Congliance Only TIDTAL	5 2 0	6 4 0 4	3 0 3 0	0 2 0 2	0 2 0 2	0 1 0 1	5 1 0 1	0 1 0 5
Percentage of Findings Repeated	0%	25%	100%	50%	100%	100%	100%	300%
Number of A-IIIPindege A. Internal Control and Compliance B. Internal Control Only C. Compliance Only TOTAL	15 0 0 15	20 0 0 0 20	12 0 0 12	12 0 0 12	9 0 0 0	7 2 0 9	12 0 0 12	5 0 0
Percentage of A-155 Pindings Repeated	0%	70%	58%	41.7%	27.7%	77.7%	15.7%	0%
Number of months Y,E the F.S. were Released	9	9	. 9	9	9	9	9	9
Number of Qualifications, Exceptions Related to C.U.	6	0	0	Ď	0	d	0	0
\$ of Questioned Costs-Current near	\$2,372,041	\$2,964,400	\$2,049,222	\$301,014	\$709,783	\$2,665,578	\$580,807	\$28,936
\$ of Questioned Costs- Cumulative	\$7,115,095	\$6,079,078	\$6,106,882	\$5,211,836	\$3,060,019	\$3,642,795	\$4,223,602	\$4,257,59
5 of Questioned Costs Resolved - Current Year	12,095,841	\$3,993,937	82,021,498	11,196,066	12,861,600	\$2,082,802	60	\$33,560



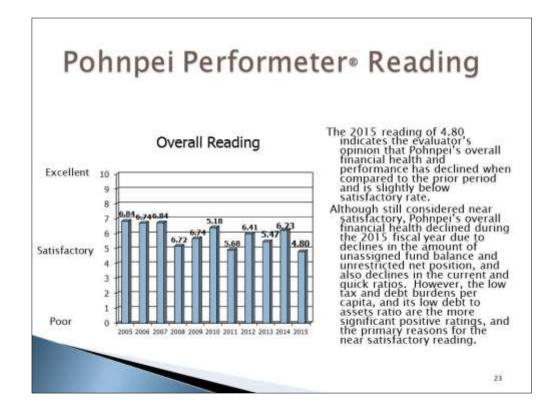
# GovGuam A.F.T.E.R.

	2008	2009	2010	2011	2012	2013	2014	2015
Number of P.S. Operan Qualifications, Exceptions	0		0	0	à	ď	D	ď
Number of Nejor Pederal Program Qualifications/Exceptions	30	. 9			2	•	7	*
Number of P.S. Protings A. Internal Control and Compliance B. Internal Control Only C. Compliance Cirily TOTAL	0 0 0 0	0 0 0 0	0 3 0 3	0 6 0 6	0 4 0 4	0 3 0 3	0 3 0 3	0 1 0 1
Percentage of Findings Repeated	0%	0%	0%	0%	100%	100%	33%	0%
Number of A-13Findings A. Internal Control and Compliance B. Internal Control Chily C. Compliance Only TOTAL	21 0 0 21	10 2 2 10	6 0 0 0	3 6 3	3 0 0 3	5 0 0	6 1 0 7	8 Q Q 8
Percentage of A-113 Findings Repeated	4.7%	32%	16.7%	33.2%	0%	2%	14%	12.5%
Number of months Y/E the F.S. were Released	9	9	9	9	9	9	9	9
Number of Qualifications/Exceptions Related to C.U.	0	0	0	0	0	0	0	0
\$ of Questioned Costs-Current Year	\$1,891,405	80	\$5,734	\$41,790	\$35,293	\$19,170	\$46,293	\$348
\$ of Questioned Costs-Cumulative	\$7,837,719	\$4,616,404	\$2,313,561	\$1,428,917	\$45,370	\$53,471	\$99,764	\$14,79
\$ of Questioned Costs Resolved - Current Year	\$1,128,090	\$3,221,315	\$2,306,577	1925,514	\$1,418,760	\$10,077	90	\$85,31



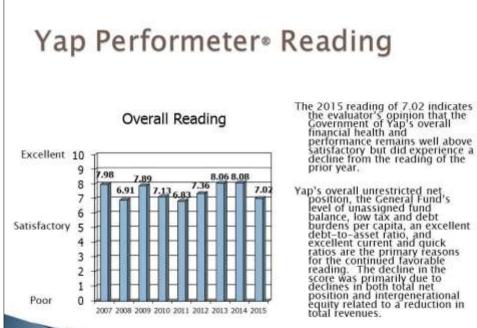
# Kosrae A.F.T.E.R.

	2008	2009	2010	2011	2012	2013	2014	2015
Number of F.S. Opinion Qualifications, Exceptions	0	0	.0	0	0	0	0	0
Number of Major Federal Program Qualifications/Exceptions	2		.0	.0	0	.0	0	a
Number of F.S. Findings A. Internal Control and Compilance B. Internal Control Cirily C. Compilance Only TOTAL	0 2 0 2	0 2 8 2	0 1 0 1	0 1 0 1	0 1 0 1	0 1 0 1	0 0 0 0	1 0 0 1
Percentage of Prodings Repeated	50%	300%	0%	100%	300%	100%	9%	0%
Number of A-L33 Findings A. Internel Control and Congliance E. Internel Control Cirty C. Congliance Cirty TOTAL	2 0 0 2	0 0 0 0	0 0 0 0	0 0 0 0	1 0 0 1	0 0 0 0	0 0 0 0	0 0 0
Percentage of A-133 Findings Reported	50%	0%	9%	0%	0%	0%	0%	.0%
Number of months 1/E the F.S. were Released	.9	.9	.9	.9	.9	- 9	9	9
Number of Qualifications/Exceptions Related to C.U.	ú	. 0	.0	- 6	.0	à	0	0
§ of Questioned Costs-Current Year	10	80	80	90	\$0	60	60	
\$ of Questioned Costs-Durnaletive	\$463,367	90	90	90	\$0	\$0	\$0	. 5
& of Questioned Costs Resolved - Current Year	\$1,205,963	\$463,367	\$0	90	\$0	80	93	- 4



# Pohnpei A.F.T.E.R.

	2008	2009	2010	2011	2012	2013	2014	2015
Number of F.S. Opmon Qualifications, Exceptions	0	0	0.	0	0	0.	0	0
Number of Major Federal Program Qualifications/Escaptions	0	o .	0	- o	0	1	198	145
Number of P. S. Pindings A. Internal Compliance B. Internal Connyl only C. Compliance Only 107 Ac.	0 0 0 0	0 0 0	0 0 0	0 0 0 0	0 0 0 0	0 1 0 1	0 1 0 1	0 1 0 1
Percentage of Findings Repeated	0%	0%	0%	9%	0%	2%	9%	7%
Number of A-133 Findings A. Internal Control and Complance E. Internal Control Drily C. Complance Only TOTA.	2 0 0 2	1 0 0	1 0 0 1	1 0 0 1	1 0 0	3 1 0 4	4 0 0 4	4 0 0 4
Percentage of A-153 Findings Repeated	50%	100%	100%	300%	100%	25%	25%	25%
Number of norths 1/E the F.S. were Released	9	9	9	9	9	9	9	9
Number of Qualificators (Exceptors Related to C.U.	0	0	. 0	0	0	0	o o	0
\$ of Questioned Costs Current Year	\$0	80	90	\$0	. 80	\$5	\$541,593	\$368,539
s of Questioned Costs-Cumulative	10	\$0	90	60	90	\$121,682	6663,275	8910,130
s of Questioned Costs Resolved - Current Year	\$0	10	\$0.	\$0	80	\$121,682	50	-30

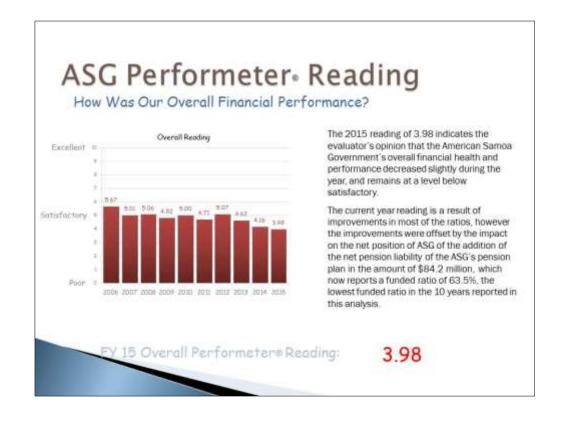


# Yap A.F.T.E.R.

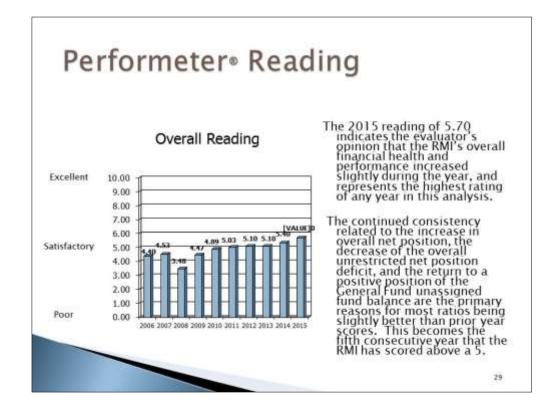
2007 2008 2009 2010 2011 2012 2013 2014 2015

Poor

	2008	2009	2010	2011	2012	2013	2014	2015
Number of F.S. Opinion Qualifications (Exceptions	2	0	0	4	2	2	2	2
Number of Major Pederal Program Qualifications, Exceptions	5	4:	3.	- 3	5.	2	2	1
Number of P. S. Findings A. Briternal Control and Compliance B. Driternal Control Only C. Compliance Only TOTAL	0 3 Q 3	0 4 B	0 2 9 2	0 3 p 3	0 + 2 +	0 1 0 1	8 1 2	0 1 0 1
Percentage of Findings Repeated	33%	50%	100%	100%	3%	0%	300%	100%
Flumber of A 135Findings A. Internal Control and Compliance B. Threemal Control Cirtly C. Compliance Crity TOTAL	11 0 0 11	0 2 2 2 7	0 0 0	3 0 0 2 3	2 0 0 2	9 9 3	5 0 0 5	3 0 0 3
Percentage of A-133 Findings Repeated	28%	57%	100%	67%	30%	9%	4%	67%
Number of months after Y.E. the F.S. we're Released	9	8	8	6	9	9	9	9
Number of Qualifications/Exceptions Related to C.U.	2	0	0	1	2	. 7	2	2
S of Questioned Costs Current Year	\$1,862,194	\$176,295	\$150,534	\$222,065	\$3,660	\$45,776	\$129,385	\$30,354
is of Questioned Costs-Gunulative	\$3,376,248	\$2,494,249	\$1,729,116	\$918,483	\$822,143	\$964,259	8993/644	\$1,023,99
S of Cuestioned Costs Recoived - Current Year	\$553,789	8681,936	6915,667	\$1,115,668	60	\$3,665	93	80



	2007	2008	3000	2010	2001	50002	2013	2014	2015
Number of F.S. Opinion Qualifications/Exceptions	7	7	- 6	7	2	1	-1	4	8
Number of Major Federal Program Qualifications / Exceptions	8	8	18	38	15	9	11	10	+
Number of F.S. Findings									
A. Internal Control and Compliance	7	7	- 6	6	0	2	3	-1-	35
B. Internal Control Only	0	0	0 0	0	3	3	4	7	6
C. Compliance Only	0.	0	.0	0	3	0	2	.Q. 8	6 0 7
TOTAL	7	7	6	6	6	s	7	8	7.
Percentage of Findings Repeated	100%	100%	100%	100%	83%	80%	57%	87.5%	16%
Number of A-133 Findings									
A. Internal Control and Compliance	15	13	35	6	5	11	. 5	- 5	2
B. Internal Control Only	0	0	0	0	5 0 1	7	5 0	3 0 8	2 4 9 6
C. Compliance Only	0	0	0.	0	1	0	2	0	0
TOTAL	15	13	15	6	6	18	10	8	.6
Percentage of A-133 Findings Repeated	Shable to determine	100%	Unable to determine	100%	50%	22%	90%	50%	33%
Number of months after Y/E the F.S. were Released	11	.9	9	10	11	11		190	.7
Number of Qualifications/Exceptions Related to C.U.	3		1	*	0	8	1	0	2
S of Questioned Costs-Current Year	1297,069	\$100	50	31,785	32,177,962	12,006,662	\$0	\$279,912	90
S of Questioned Costs - Cumulative	Drable to determine	Unable to describe	Unable to daterrains	Unable to (latermine	Unable to determine	Unable to determine	Unable to describe	Unableto Sessorine	Unable determi
S of Questioned Costs Resolved - Current Year	Unable to determine	Umable to determine	Unable to determine	Unable to determine	Unable to determine	Unable to determine	Strable to determine	Unable to determine	imatrie daterni



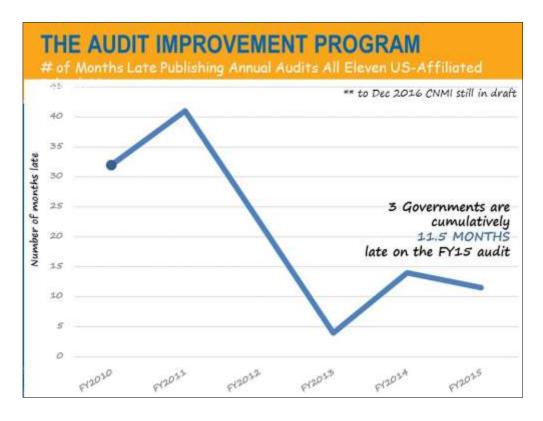
## RMI A.F.T.E.R.

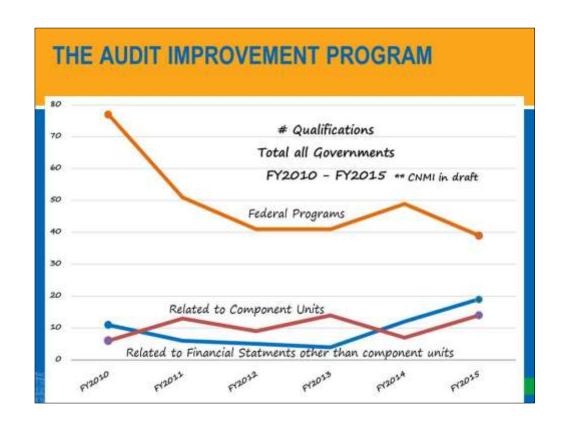
	2007	2008	2009	2010	2011	2012	2013	2014	5010
Number of F.S. Opinion Qualifications/Exceptions		- 3		(8)	1.0	0	(4)		
Number of Major Federal Program Qualifications/Exceptions	2	31	1	t .	- 29	2	2	2	2
Number of P.S. Pindings A. Internal Control and Compliance B. Internal Control Only C. Compliance Only TOTAL	0 1 0 1	d k il	0 1 8 1	1 4 0 1	9 2 8 2	9 8 4	2 7 1 4	0 6 2	t 4 1
Percentage of Findings Repeated	0%	2%	0%	38%	50%	79%	72%	78%	8%
Number of A-133 Findings A. Internal Control and Compliance B. Internal Control Only C. Compliance Only TOTAL	12 6 8 12	9 3 2 8	81 8 9 11	6 L 2	12 0 0 12	7 8 8 7	2 2 7	4 9 9 4	12 9 4 12
Percentage of A-133 Findings Repeated	2%	12.5%	9%	18%	41.7%	100%	100%	900%	496
Number of norths after 1/E the F.S. were Released	(,*)	. 9	*	((40)	17	10.	u	17	н
Number of Qualifications, Exceptions Related to C.U.					- 4	*	- 4		
s of Questioned Costs-Current Year	\$719.085	\$645,608	\$1,383,234	\$2,243,381	\$3.156.810	\$35,657	\$71.294	\$338.521	\$825.245
§ of Questoned Costs-Cumulative	BL395.477	\$1,777,362	\$1,755.027	94.245.ED	\$7,486,963	\$7,441,820	12.155.054	#2.479.104	<b>61.397.12</b>
5 of Questioned Costs Rasolved - Durvent Year	85.062,97V	1263,793	9421.E38	871E.08E	\$1.196.666	86	85,156,110	80	11.68

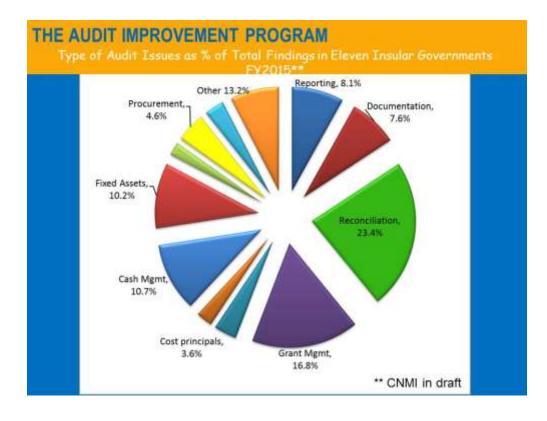


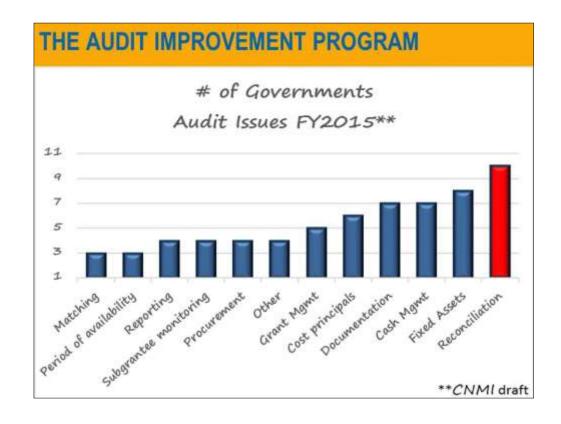
#### APPENDIX F—INSULAR GOVERNMENT FY2016 AUDIT FINDINGS UPDATE

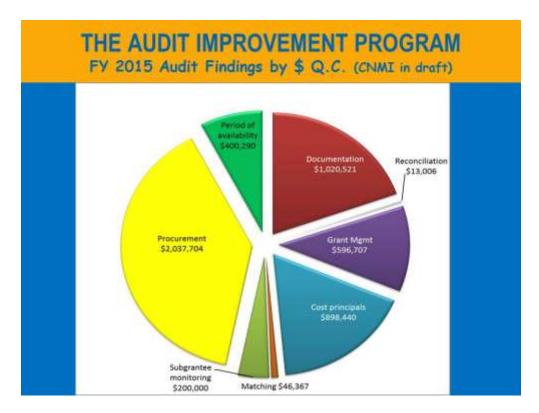












# Some interesting findings

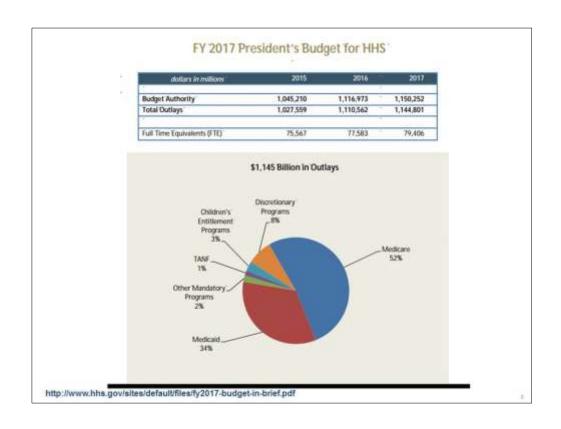
- Failure to provide census data to the retirement fund
- Insolvency of Pension Fund & Workman's comp fund
- · Lack of IT security
- · Collateralizing Deposits
- · Undocumented transfers to component units
- DOD grant funds deposited outside of the Finance/Treasury function

#### APPENDIX G—PAYMENT MANAGEMENT SYSTEM FOR HHS GRANTS

# Health and Human Services (HHS) Federal Grants Update

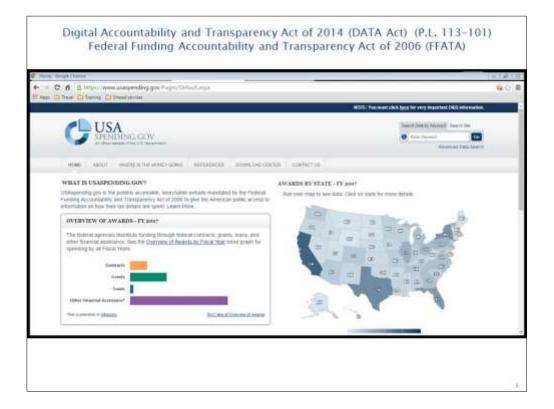
Financial Management and Fiscal Accountability Key components to achieving healthy islands

> Subroto Banerji HHS Office of the Assistant Secretary for Health



	FY2	2016				
Island	27	724774444444	%\$	Population	% Pop	Per capita
American Samoa	S	38,808,974	15.5%	57,000	10.1%	681
Guam	S	84,609,527	33.7%	172,000	30.3%	492
CNMI	S	29,299,384	11.7%	51,000	9.0%	574
FSM	S	11,467,976	4.6%	105,000	18.5%	109
RMI	S	6,939,678	2.8%	55,000	9.7%	126
Palau	\$	8,449,674	3.4%	21,000	3.7%	402
USVI	\$	71,270,306	28.4%	106,000	18.7%	672
	S	250,845,519		567,000		442
	Popu	dation Source United	Nations Departr	nent of Economic	and Social Affairs	Population

Agency	
Office of the Assistant Secretary for Health (OASH) Title X	https://www.hhs.gov/opa/title-x-family- planning/
Assistant Secretary for Preparedness and Response (ASPR)	http://www.phe.gov/about/pages/default.asp)
Administration for Children and Families (ACF)	http://www.acf.hhs.gov/about/offices
Administration for Community Living (ACL)	https://acl.gov/About_ACL/Organization/acl_ org.aspx
Centers for Disease Control and Prevention (CDC)	http://www.cdc.gov/about/organization/orgChart.htm
Centers for Medicaid and Medicare Services (CMS)	https://www.cms.gov/
Health Resources and Services Administration (HRSA)	http://www.hrsa.gov/index.html
National Institutes for Health (NIH)	https://www.nih.gov/
Substance Abuse and Mental Health Services Administration (SAMSA)	http://www.samhsa.gov/



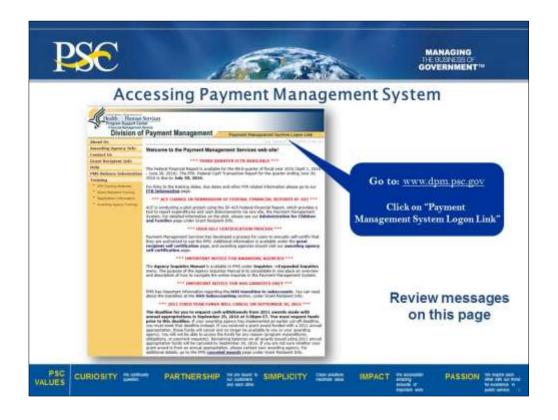


#### HHS Strategic Plan

Strategic Goal 4: Ensure Efficiency, Transparency, Accountability, and Effectiveness of HHS Programs

- Objective A: Strengthen program integrity and responsible stewardship by reducing improper payments, fighting fraud, and integrating financial, performance, and risk management
- Objective B: Enhance access to and use of data to improve HHS programs and to support improvements in the health and well-being of the American people
- Objective C: Invest in the HHS workforce to help meet America's health and human services needs
- Objective D: Improve HHS environmental, energy, and economic performance to promote sustainability

http://www.hhs.gov/about/strategic-plan/strategic-goal-4/index.html









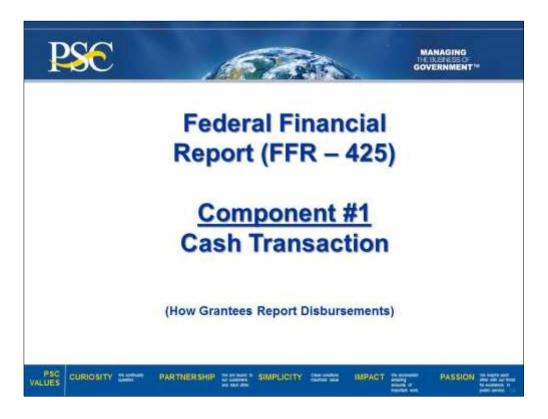
CURIOSITY TO

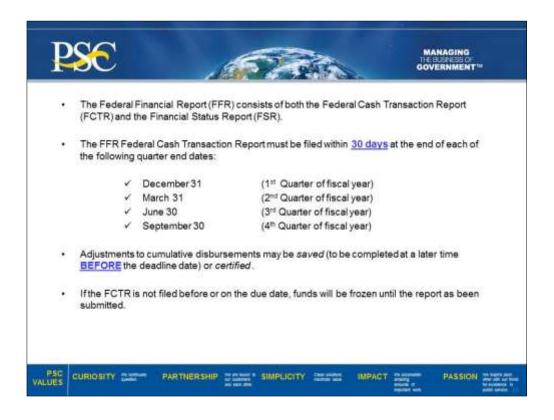
PARTNERSHIP SIMPLICITY

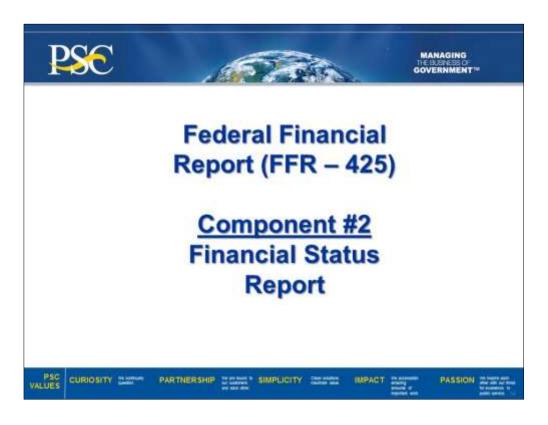














#### Unobligated funds - case study (2014) - open documents

Amard	Subaccount	FY	Awarded Amount	Disbursements	Drawdowns	Unliquidated Balance	
13X02MC26337AC	HV-13-FORM	2,013	1,000,000	697,275	697,275	302,726	1,942,227
16X07HA30389	HIVI-16	2.014	1,077			1,077	
14X02MC27412AC	HV-14-FORM	2,014				337,624	
000405EL14	RFA-CK14-1401PPHF14	2.014	68,918		49,589	19,333	
14SM61625A	14SM61626A	2,014	764,545	559,665	583,129	181,416	
14SP20710A	14SP20710A	2,014	1,304,330	468,827	209,767	7,094,563	
000405CK14	CK141401ELCBUISTCA14	2.814	6.553	6.563	4,152	2.401	
000405CK14	CK141401ELCBLISTCA14	2,014	8,426	8,426	5,338	3,088	
15H18MC30112	SSOV16	2,014	29.817		29.817	0	

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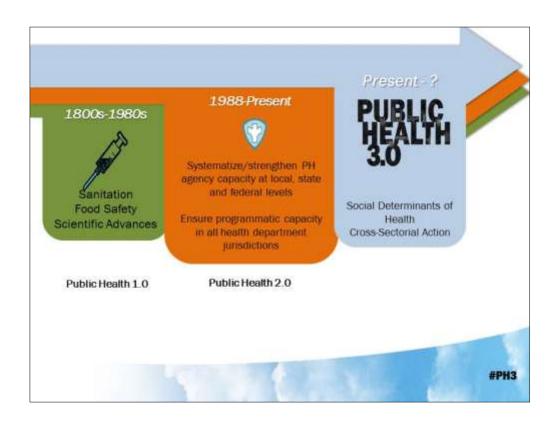
#### Payment Management System

- Trainings
  - Pacific Islands completing in December
  - Planning for USVI (and Puerto Rico) FY17 Q2
  - Topics
    - · "101" System overview, FFR, account setup
    - · "201" Proposed, in development
      - Hands-on payment requests Hands-on FFR
- Use of online reporting and analysis tools

#### Straw list? Let us hear from you too.

- HHS
  - Applicability of Funding Opportunity
  - Timetness of awarding of funds
  - Partial awarding of funds and impact to cash flow, island regulations to program implementation
- Island systems
  - Budgeting, execution shared responsibility with Program
  - Forecasting unobligated funds using PMS tools?
  - FIFO-First in First out

  - Standardized budget template tool
  - Program view only to PMS
- TA options
  - Webinars
  - Quarterly of brannual calls-
  - Leverage finance officers network for problem solving
  - Mentoring
  - How to bring "training" to islands
- Federal Financial Assistance Improvement Initiative



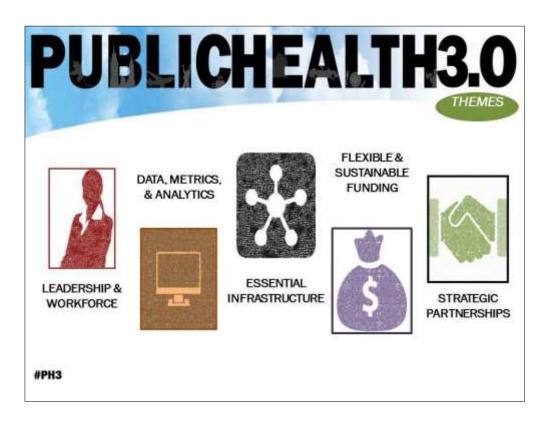
"Just because you have a medical degree, it doesn't mean that you can understand health. If you want to understand why health is distributed the way it is, you have to understand society."

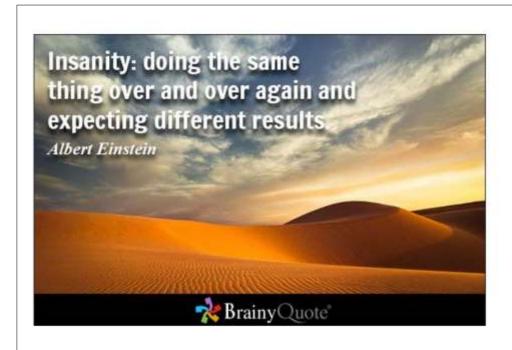
Source: Sir Michael Marmot, The Health Sap

**PUBLICHEALTH3.0** 

#РНЗ







#### Acknowledgements - Contact Information

- Graduate School
- · Insular Areas Finance and Program Staff
- DOLOIA
- HHS Staff Offices and Operating Divisions
- · HHS Division of Payment Services

My contact information: Subroto Banerji subroto\_banerji@ios.doi.gov (until Jan 17) subroto.banerji@hhs.gov subrotobanerjihhs@gmail.com

iz.

#### APPENDIX H—AUDIT RESOLUTION PROCESS (MARINA)



# Resolving Audit Issues/Recommendations

- Office of Inspector General (OIG) of Federal Departments
- Government Accountability Office (GAO)
   reports to U.S. Congress
  - **▶**Recommendations
    - ▶ Resolved
    - ▶Implemented

# Single Audit Report – Findings, Issues, Corrective Actions

- ▶ Resolution 6 months
- ▶ Impact on Federal Funding
  - ▶ Awards
  - ▶ Funding Reimbursements
    - **▶**Suspension
    - ▶Deobligation (cancellation of grant)
  - ▶ Affect future funding

# Single Audit Report – Findings, Issues, Corrective Actions

- ▶ GOALS
- ▶ Timeliness
- Unmodified (clean) Opinions
- ▶ No repeat findings
- ▶ No questioned costs
- Resolution of outstanding prior year findings issues and questioned costs. When clearing, communicate with the Federal grantor agency and show results to auditors.

### Single Audit Report – Findings, Issues, Corrective Actions

Remember...

Communicate

Organize

Response

Action

Lessons (Learned)

CORAL

### Single Audit Report – Findings, Issues, Corrective Actions

- Communicate all parties
  - Audit Liaison, Audit Committee, User Agency POC, Federal Financial Managers, Auditors
- Organize organize findings by audit issue
  - Grouping findings under the issue equipment management; procurement (history of, documentation, justify method selected); supporting documentation for PO, PRs, Invoices, Receiving Reports, documentation for release to user agency
- ▶ Response corrective actions for the issue
  - What is to be done (corrective actions), who will do each action, estimated time to complete

### Single Audit Report – Findings, Issues, Corrective Actions

- Action complete the corrective actions
  - monitor to ensure will complete by expected deadline; if not, identify challenges and provide a new estimated date; go back to CORAL as necessary
- Lesson learned includes evaluation
  - ▶ goal achieved? if not, go back to CORAL

# Audit Resolution/Corrective Action Plan -

#### CORAL

- ► Communicate all parties
- ▶ Organize not by finding but by audit issue
- ▶ Response what will be the corrective actions, who will do what, when will be completed
- ► Action complete the actions
- Lessons learned evaluate whether goal was achieved; if not, do more (circle back to any part of CORAL as warranted)

#### APPENDIX I—DEVELOPING EFFECTIVE CORRECTIVE ACTION PLANS

Developing
Effective Corrective
Action Plans



3

- » Finding No. 2011-15: Not corrected. See corrective action plan to Finding No. 2015-017.
- » Finding No. 2012-17: Not corrected. See corrective action plan to Finding No. 2015-017.
- » Finding No. 2013-19: Not corrected. See corrective action plan to Finding No. 2015-017.
- » Finding No. 2014-20: Not corrected. See corrective action plan to Finding No. 2015-017.
- » Finding No. 2015-017

# The dreaded "REPEAT" findings!

Gov't	Year	Major Programs	Compliance Unmodified		CY	ice Finding PY
	1	Audited				1000
American Samoa	2015	10	6	4	6	28
CNMI	2014	8	0	8	38	21
FSM	2015	7	6	21	6	7
Chuuk	2015	2	2	0	4	7.
Kosrae	2015	2	2	0	0	0
Pohnpei	2015	2	1	1	-4	4
Yap	2105	3	2	1	3	?
Guam	2015	15	11	4	8	?
Palau	2105	11	0	11	17	7
RMI	2014	3	1	2	6	17
USVI	2015	16	7	9	57	48

- » Findings require management response and CAP
- » Coming up with a GOOD CAP is hard!
- » It requires
  - > Investigation
  - > More investigation
  - > Identification of the problem
  - > Then coming up with a "fix"

## Effective Corrective Action Plans



IGFOA - December 2016

- » Yes, we'll fix it (without a real plan)
- » Yes, we'll fix it today and develop and install a whole new system, too (overpromising)
- » Yes, we'll take a look and get back to you ... sometime (under-promising)
- » It wasn't really a finding (too late!)
- » The weather has been quite nice lately (discussion of something else)
- » It's not our fault (so we can't fix it)
- » ???

## Ineffective Corrective Action Plans



- Determine best practices for investigating and developing corrective action plans (CAPs)
- Develop plans to address current and prior audit findings

# **Objectives**

7

IGFOA - December 2011

- » How are the CAPs developed for your government's CY audit findings?
  - > When do you start?
  - > Who is involved in developing the CAP?
  - > Who drafts the CAP?
  - > Who approves the CAP?
  - > Who is responsible?
  - > What type of follow up occurs after the CAP is submitted to the auditors?

### **Current practice**



- » Start immediately after audit finding issued
- » Audit team (Treasury accountants, Dept. directors, Finance staff)
- » Audit team drafts CAP (if other dept. involved, they draft CAP)
- » CAP is approved by Treasurer and/or respective dept. directors
- » Dept. of Treasury is responsible
- » Regroup with Audit Tem to evaluate CAP progress

### **American Samoa**



IGFOA - December 2016

- » Start as soon as the 1st draft received
- » Finance advisor/consultants
- » Finance advisor drafts the CAP
- » DAS Director approves the CAP
- » Accounting consultant is responsible for the CAP
- » Followup includes email and phone call communications

Guam

10

- » When the preliminary findings received
- » Chief of Finance & Accounting and Grants Management, Program Managers
- » CAPs drafted by Chiefs and Director BNT
- » Approves by Chiefs and Director BNT
- » Followup communication between MOF and respective program managers



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- » Upon receipt of draft from auditors at the Dept. of Finance
- » Departments and agencies in collaboration with the D of Finance and Office of Management and Budget
- » D of Finance drafts the CAP for basic FS findings; OMB drafts the CAP for compliance findings
- » D of Finance and OMB are responsible for the CAPs
- » D of Finance and OMB approve the CAPs
- » Followup meeting/close out with D of Finance and auditors





- » Immediately after completion of the audit
- » Dept. heads, Attorney General, Auditor General
- » Secretary of Finance drafts the CAP
- » Auditor General approves the CAP
- » Responsibility held by Ministry of Finance and Line Ministry
- » Followup to be determined but recommend internal auditors



13

IGFOA - December 2016

- » Right after the exit conference with the auditors
- » Director, Chief of Finance, Accounting Advisor, Budget Officer, Programs, Agencies, Depts. involved
- » CAP drafted by Chief of Finance, Budget Officer, Accounting Advisor
- » CAP approved by the Director
- » Div. of Finance responsible (headed by Accounting Advisor)
- » Followup by email and official letter

Kosrae

14

- » 15 days after notification of the finding or after exit conference
- » Director, Program Manager, and Finance staff are involved and draft the CAP
- » Same group approves the CAP
- » Same group responsible
- » Followup = communication in writing

### Pohnpei

15





- » CAP "czar" is responsible for
  - > Reading and grouping findings by type of issue
  - Assigning the grouped findings to an appropriate team to research the issue and prepare the CAP
  - > Reviewing the CAP for adequacy and completeness
  - > Ensuring the CAP is acted upon
  - > Act as a single point of contact with the auditors as to the status of the CAP

## Responsibilities

18

- Problem identification and team creation
- 2. Problem discussion
- Solution identification including costbenefit analysis
- 4. Corrective action plan creation
- 5. Follow up

# 5-step process for developing effective CAPs

19

IGFOA - December 2016

- » State the problem or weakness
- » Consider the problem in light of the entire process
  - >Group findings with the same issues
- » Identify who needs to be involved
- » Recruit a coordinator who can ensure the right people are present to discuss the process and improvements needed

# Step 1: Problem identification and team creation

20

- » What is happening and what are the effects?
- » What is the underlying root cause?
- » What should be happening? What are the regulatory requirements?

### Step 2: Problem discussion

21

IGFOA - December 201

- » How can the problem be fixed? Brainstorm!
- » Consider the regulatory requirements and available resources.
- » What can reasonably be accomplished?
- » Which CAPs are the most cost effective?

# Step 3: Solution identification >22

- » Select the best CAP
- » Ensure that the CAP is complete
  - > Tasks and subtasks
  - > Identification of responsibility
  - > Time frame and deadlines set achievable deadlines and targets
  - > Resources needed additional training?

### Step 4: CAP creation

23

IGFOA - December 2016

- » Identify a responsible person who will make sure the CAP is done
- » Determine how that person will report issues or problems

### Step 4: CAP creation

24

- » Monitor the progress of the plan
- » Has it been implemented?
- » Is it working?
- » What documentation is needed?

### Step 5: Follow up

25

IGFOA - December 2016

- » What is the process for tracking and resolving PY findings?
  - >When do you start?
  - > Who is involved?
  - > Who monitors the implementation?
  - > Who verifies that the CAP worked?
  - > How is the finding cleared with the auditors?

### **PY findings**

26

- » Processes when they existed were reported to be similar to CAP development for current year
- » However, if prior year findings and questioned costs are NOT steadily decreasing, the process for monitoring and clearing PY findings and questioned costs may not be effective!

# PY monitoring

27

IGFOA - December 2010

- » For 5 of 41 transactions tested, approved forms for annual leave, sick leave, overtime, etc., were not available for inspection to substantiate charges.
- » Time and effort certifications for 3 of 25 employees did not have timely approval by a supervisor. Time and effort certifications for 1 of 25 were not available.
- » Of 6 PR expenditures tested, 1 employee worked for 2 cost centers but the charges were not supported by time sheets or other documentation showing actual time worked for each center.

# Payroll findings – 3 examples



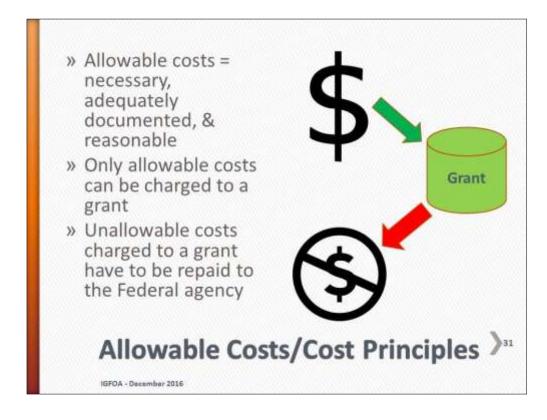
- » Questioned costs
- » Additional scrutiny now and in the future
- » Uniform Guidance changes are not likely to decrease focus on payroll costs charged to grants

### Result

IGFOA - December 2016

29





- » OMB Circular A-87 standards for time reporting and labor charges to federal awards
  - > Time and attendance reporting
    - + Documents work time and leave time
  - If only charged to one grant no additional documentation required
  - > If 100% of time charged to one grant, need certification
    - + Every 6 months
    - + Signed and dated by employee or supervisor
  - If charged to >one grant, personnel activity report required
    - + Time sheet showing actual time worked for each grant

# Payroll costs pre-UG

32

# Payroll related recordkeeping (Time and Effort Reporting) - Overview

Changes	Section	
Focus on high standards for maintaining strong internal controls to justify costs of salaries and wages	200.430	
Flexibility in process used to meet those standards	200.430	
Personnel activity reports not specifically required – focus shifted to appropriate internal controls in place to ensure that	200.430	
charges to federal awards for salaries and wages are based on records that accurately reflect the work performed	BUT	
Maintained that when charges based on budgeted amounts, internal controls must exist to ensure adjustments are made so final amounts charged to federal awards are proper	200.430	

### **Uniform Guidance**

33

IGFOA - December 2016

- » Compensation personal services (200.430) Commonly referred to as "time and effort reporting."
- » New Focus on stringent internal controls to ensure time is tracked and costs allocated appropriately
- » Certifications gone! BUT...
- » If already have strong internal controls, current system may be adequate
- » If not, need to beef up controls!

### **Payroll costs post-UG**



- » Time distribution records required for ALL employees
  - > Salary paid in whole or in part with federal funds, OR
  - > Used to meet match or cost-share grant requirement

# Time distribution records required



IGFOA - December 2016

- » Supported by a system of internal control which provides reasonable assurance that the time being charged is accurate, allowable, and properly allocated
- » Incorporated in the official records, such as payroll records
- » Reasonably reflect the employee's total activity
- » Provide a time or percentage breakdown on all activities, both Federally funded and non-Federally funded, for the employee

### Time records



- » Payroll allocations among grant awards CANNOT be based on budget alone
  - > Must be supported by ACTUAL hours worked
- » If budget allocations used initially to allocate, need AFTER-THE-FACT REVIEW to verify allocation
  - > Adjustments if needed following review

### **Budget allocations**



IGFOA - December 2011

- » ALL time worked needs to be included in order to calculate federal awards portion
  - > Nonexempt employees must prepare records of total hours worked each day
- » Need internal controls over existence of employees and reasonableness of compensation
  - > Reasonable if consistent with compensation for similar work in other areas of entity

# ALL employees need to track time



Criteria: In accordance with applicable allowable costs/cost principles requirements, charges to federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the following standards:

# Criteria cited for recent PR finding >"



IGFOA - December 2016

- a. They must reflect an after-the-fact distribution of the actual activity of each employee.
- b. They must account for the total activity for which each employee is compensated.
- c. They must be prepared at least monthly and must coincide with one or more pay periods; and
- d. They must be signed by the employee.

## Criteria cited for recent PR finding > "

- » Missing time sheets showing hours worked by grant
- » Missing approved leave and authorization forms (annual leave, sick leave, overtime)
- » Timely submission and approval of leave forms

## **Findings**

41

IGFOA - December 2016

- » How will you address your PR findings, OR
- » If none, how will you address the UG requirements?

## Your plan



- » Review current grants accounting time keeping process for charging labor and related costs to grants
- » Review financial system compliance
  - > Payroll-related findings?
- » Update processes to comply with specific identification of hours worked
  - > Exempt employees?
  - > Non-exempt employees?
- » Review internal controls

# **Suggestions**

43



- » Inadequate documentation
  - > No evidence of obtaining informal price quotations
  - > For one item, selected vendor charged 50% more than another vendor for a purchased item and there was no documentation on file to justify the procurement decision
  - > For one item, the purchase was requested to be designated as an emergency procurement. However, the request was made 10 months after the vendor had commenced providing services. Furthermore, a service contract with the vendor was not executed until 10 months later.

## Sample findings



Guam - Nov./Dec. 2016

- » Need to establish WRITTEN procurement procedures
- » Need to reflect local laws and regulations AND meet federal requirements

### **Procurement requirements**



- » Micro-purchases: Supplies or services <\$3,000</p>
  - > No competitive quotes if price reasonable
- » Small purchases: Services, supplies, or other property <\$150,000</p>
  - > Price quotes from "adequate" number of qualified sources

## Uniform Guidance procurement methods



Guam - Nov./Dec. 2016

- » <u>Sealed bids</u>: Public solicitation of bids with firm fixed-price contract awarded to lowest price bidder
- » Competitive proposals: More than one source submits offer. Either fixed-price or costreimbursement contract awarded. Needs written method to evaluate proposals. Used when sealed bid not appropriate.
- » Noncompetitive proposals: Solicitation from one source. Allowed only under certain conditions.

# Uniform Guidance procurement methods



- » You are allowed to follow your government/entity's requirements if more strict
- » Most island governments planning to update BUT set lower cutoffs

### **Local procurement methods**



Guam - Nov./Dec. 2016

- » Rationale for procurement method
- » Selection of contract type
- » Contractor rejection or selection
- » Basis for contract price

# Required documentation



- » How many departments participate in procurement process?
- » Where are supporting documents maintained?
  - > Quotes/bids/analysis
  - > PR/PR/RR/Vendor invoice
- » Multidepartment effort
  - > Will require
    - + Strong leadership
    - + Coordination
    - + Cooperation

# **Common source of findings**

>51

IGFOA - December 201

# **Equipment and Real Property Management**

352

- » Property records
  - > Description
  - > Serial or other ID number
  - > Source of funding
  - > Entity holding title
  - > Acquisition date and property cost
  - > % of federal participation in project costs for federal award under which property acquired
  - > Location of property
  - > Use and condition of property
  - > Ultimate disposition data incl. disposal date and sale price

### Requirements

53

Guam - Nov./Dec. 2016

- » Physical inventory every 2 years
- » Reconciliation of book to physical
- » Adequate IC system to prevent loss, damage, or theft
- » Adequate maintenance procedures
- » Disposition following proper sales procedures

### Requirements



<u>Criteria</u>: A physical inventory of the property must be taken and the results reconciled with the property records at least every 2 years.

#### Findings:

- » No inventory of fixed assets has been performed ...
- » No documentation that a complete physical inventory was performed over last 2 fiscal years

## Sample findings



Guam - Nov./Dec. 2016

- » How many departments have capital asset responsibilities?
  - > Maintenance of capital asset records detailed, accounting (FS)
  - > Who identifies and tags new acquisitions?
  - > Who performs the physical inventory?
  - > Who reconciles the physical inventory to the books?
- » Multidepartment effort
  - > Will require
    - + Strong leadership
    - + Coordination
    - + Cooperation

# **Common source of findings**



#### APPENDIX J—2014 PERFORMETER AND A.F.T.E.R. ANALYSIS UPDATE







### Is the fixed asset physical inventory current?

		Dec 2016	June 2015 FY	15 Audit Finding
	AMERICAN SAMOA	YES	Not yet	Y
1	CNMI	Not reconciled	50% completed	Y
	FSM: NATIONAL	YES	Not reported	N
10.1	FSM: KOSRAE	YES	YES	N
	FSM: POHNPEI	NO	YES	Y
-10	FSM: CHUUK	YES	Not reported	maintenance
112	FSM: YAP	AE2	YES	N
0	GUAM	YES	86% completed	Y/late
	MARSHALL ISLANDS	Not reported	Not reported	Y
0	PALAU	YES	40% completed	Y
No.	US VIRGIN ISLANDS	NO	95% completed	Y



### Are the Major Bank Reconciliations Timely?

4	AMERICAN SAMOA	December 2015	June 2015	Progress
1	CNMI	YES	YES	T
TO THE	FSM: NATIONAL	YES	Not reported	1
	FSM: KOSRAE	YES	YES	4
÷	FSM: POHNPEI	NO	Sectoronly	+
40	FSM: CHUUK	YES	Not reported	1
10.12	FSM: YAP	almost	almost	34
0	GUAM	YES	YES	4
<u> </u>	MARSHALL ISLANDS	Not reported	Not reported	?
0	PALAU	YES	60% completed	1
V( p)	US VIRGIN ISLANDS	YES at 60 days	50% completed	1



#### How long do we take to process invoices paid with federal funds?

		December 2016	June 2015	Progress
1	AMERICAN SAMOA	3-12 days	< 60 days	<b></b>
<b>①</b>	CNMI	34 days	26 days	+
	FSM: NATIONAL	3 days	Not reported	1
1	FSM: KOSRAE	4.8 days	3 days	1
	FSM: POHNPEI	3 days	3 days	4
ġ.	FSM: CHUUK	Not reported	Not reported	?
14	FSM: YAP	22 days	5 days	×
0	GUAM	4 + 17 aging	5 days + 1 week	4
	MARSHALL ISLANDS	Not reported	Not reported	?
	PALAU	34 days	33 days	×
ŧ,	US VIRGIN ISLANDS	5-7 days	5 days	1



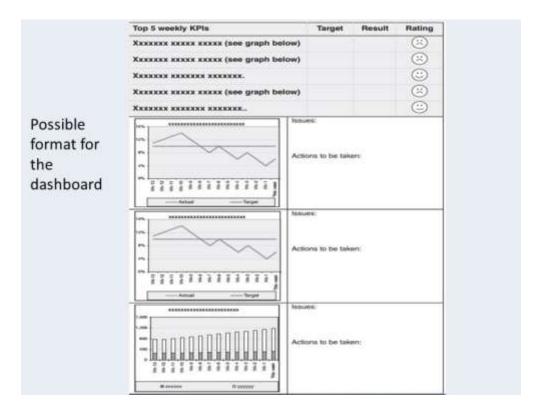
#### How is our collection rate on Federal A/R?

<b>⋖</b>	AMERICAN SAMOA	2016 13.63%	Progress
1	CNMI	Not reported	
ψ.	FSM: NATIONAL	4%	47% last year
10 11	FSM: KOSRAE	100% on time	yes
•••	FSM: POHNPEI	HIGH	Now biweekly draw
40	FSM: CHUUK	Not reported	
100	FSM: YAP	45%	39% last year
0	GUAM		yes
	MARSHALL ISLANDS		
0	PALAU	10%	Steady Improvement
( P	US VIRGIN ISLANDS	(ask Clarina)	



#### KOSRAE STATE GOVERNMENT FINANCE OFFICE DASHBOARD

Меания	Gesl	Current Measure	Trend FY2012 - FY2016	Stones
Number of days to protest an arroine (protest freel)	Within 3 days upon arough	Widous 3 days произ можул	PY 12 - 6 days, 75 % on target PY 13 - 7 days, 75 % on target PY 15 - 3 days, 95 % on target PY 15 - 3 days, 95 % on target PY 16 - 3 days, 95 % on target	
Number of days to proceed an arresing (Sedwal Frank)	Within 3 days open mought	Welton 3 days opens presign	PY 12 - 5 days, 83 % on bage! PY 13 - 2.5 days, 67 % on bage! PY 14 - 3 days, 95% on bage! PY 15 - 3 days, 98% on bage! PY 16 - 3 days, 98% on bage!	
Reduction in overdise travel advances	50% orderion in oresine TAs	30% degreesed in total oregides over 09-30-2016	PY 12 - 47% of oresites PY 13 - 40% of oresites PY 14 - 73% of oresites PY 15 - 71% of oresites PY 16 - 41% of oresites	-
Completion of Ease!	Physical investory energy two years to be completed 150 days after the end of the fixed year.	Completed the arrestmy on 10/15/2015.	PV 12 — Completed September 20, 2013, and on tagget PV 14 — Completed 10/15,2005; not on tagget	1
Bank personalisticas completed on a tissely lesse	15 days after secoupt of bunk statecounts	All bank account secondations are completed pose to the 15 days taget.	PV 12 - 90% on target PV 13 - 96% on target PV 14 - 100% on target PV 15 - 100% on target PV 16 - 100% on target	
Reverse Estimates within target % (General Frant)	Meeting the estimated coverses	As of 09-30-2015, the actual excesses were 12% below the target	PV 12 – 10 % shore estimates PV 13 – 7% below estimates PV 14 – 13 % below estimates PV 15 – 9 % below estimates PV 26 – 5 % below estimates	
Timelium of SF425 supports	Every 15th of the occasio following the end of the quarter	September 30, 3015 seports were infamilied October 36, 2015.	PV 13 – 100 % completed on target PV 13 – 100 % completed on target PV 14 – 100 % completed on	



#### APPENDIX K—WHAT'S UP WITH OUR MEASURES?







### Is the fixed asset physical inventory current?

No.	AMERICAN SAMOA	Dec 2016 YES	June 2015 FY: Not yet	15 Audit Finding
•	CNMI	Not reconciled	50% completed	Y
10.00	FSM: NATIONAL	YES	Not reported	N
10.0	FSM: KOSRAE	YES	YES	N
10.00	FSM: POHNPEI		YES	Y
	FSM: CHUUK	YES	Not reported	maintenance
10.00	FSM: YAP		YES	N
0	GUAM	YES	86% completed	Y/late
•	MARSHALL ISLANDS		Not reported	Y
0	PALAU		40% completed	Y
V Di	US VIRGIN ISLANDS		95% completed	Y



# Are the Major Bank Reconciliations Timely?

		Dec 2016	June 2015
	AMERICAN SAMOA	YES	YES
<b>①</b>	CNMI	almost	YES
÷	FSM: NATIONAL	YES	Not reported
1	FSM: KOSRAE	YES	YES
÷	FSM: POHNPEI		Sectoronly
Ġ.	FSM: CHUUK	YES	Not reported
12	FSM: YAP		Deteriorated
0	GUAM	YES	YES
	MARSHALL ISLANDS		Not reported
)	PALAU		60% completed
1	US VIRGIN ISLANDS		50% completed



## How long do we take to process invoices paid with federal funds?

		December 2016	June 2015
	AMERICAN SAMOA	3-12 days	< 60 days
1	CNMI	34 days	26 days
10	FSM: NATIONAL	3-12 days	Not reported
1	FSM: KOSRAE		3 days
	FSM: POHNPEI		3 days
4	FSM: CHUUK	Not reported	Not reported
1	FSM: YAP		5 days
0	GUAM	4 + 17 aging	5 days + 1 week
	MARSHALL ISLANDS		Not reported
0	PALAU		33 days
( pi	US VIRGIN ISLANDS		5 days



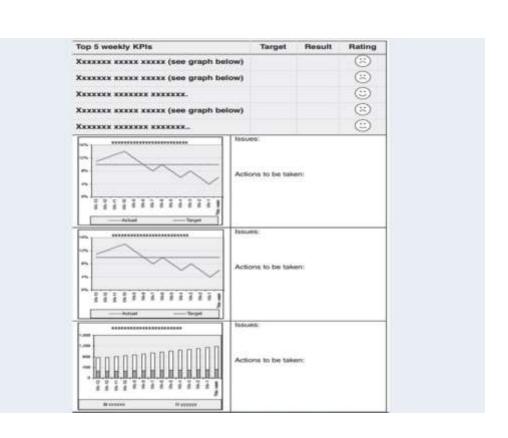
# How is our collection rate on Federal A/R?

1	AMERICAN SAMOA	A/R to revenues 2016 13.63%	Progress
1	CNMI	Not reported	
10	FSM: NATIONAL	4%	47% last year
	FSM: KOSRAE	100% on time	yes
•	FSM: POHNPEI		
÷	FSM: CHUUK	Not reported	
÷.	FSM: YAP	16	
0	GUAM	16.8%	yes
	MARSHALL ISLANDS		
•	PALAU		
(1)	US VIRGIN ISLANDS		



#### KOSRAE STATE GOVERNMENT FINANCE OFFICE DASHBOARD

Measure	Good	Current Messure	Teend PV2012 - PV2004	Status
Nisasher of days to protein an arraine (general freel)	Within 3 days upon receipt	Within I days upon securit	FY 12 — 6 days, 75 % on target FY 13 — 7 days, 70 % on target FY 15 — 3 days, 82 % on target FY 15 — 3 days, 98 % on target FY 16 — 3 days, 98 % on target	
24 anihor of days to passess as arresion (federal frault)	Widon 3 days spot semipt	Within 2 days spool proupt	PV 12 - 5 days, 83 % on target PV 13 - 5.5 days, 87 % on target PV 14 - 3 days, 90% on target PV 18 - 3 days, 90% on target PV 16 - 3 days, 90% on target	-
Reduction to overdree tornel advisates	50% oxfaction in creation TAs	30% demonal in total overthe over 09-30-2016.	FY 12 - 47% of overdus FY 13 - 40% of overdus FY 14 - 73% of overdus FY 15 - 71% of overdus FY 16 - 41% of overdus	-
Completion of fined annel invectory	Physical inventory every two years to be excepteded 190 they after the end of the fixed year.	Completed the arresistory on 16/15/2015	FV 12 - Completed September 20, 2003; and on target FV 14 - Completed 10/15,2015; and on target	1
Buck reconsiliations manufacted on a timely besin	15 days affect security of bank statements	All bank account secondistions are completed prior to the 15 days target.	PV 12 - 90% on taget PV 13 - 96% on taget FV 14 - 100% on taget FV 15 - 100% on taget PV 16 - 100% on taget	-
Reverse Enlandes within taget % (General Paud)	Meeting the estimated preserve	As of 09-30-2011, the estall extremes ware 1.2% below the target	FY 12 – 10 % above estimates FY 13 – 7 % below estimates FY 14 – 13 % below estimates FY 15 – 9 % below estimates FY 16 – 5 % below estimates	~
Timeliness of SP425	Every 150s of the month following the end of the spanter	Septensiber 30, 3015 septets ware informated October 26, 2015.	FY 12 – 100 % completed on target FY 15 – 100 % completed on target FY 14 – 100 % completed on	



#### APPENDIX L—GASB UPDATES

# GASB Update: Government Financial Landscape Continues to Change

Presented by:
Frank Crawford, CPA
President, Crawford & Associates, P.C.
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@fcrawfordcpa (twitter)



Website Resources

Meeting the needs of constituents is one of the GASB's key goals. In support of this goal, the GASB makes a variety of resources available through its website, <a href="https://www.gasb.org">www.gasb.org</a>, including up-to-date information and resources addressing:

- Current projects
- Recent proposals and final pronouncements
- Free copies of proposals and final pronouncements
- A free view of the GASB Codification
- Educational resources
- Resources for users
- Webcasts of GASB Meetings





# Seriously?

- Statement 72 Fair value Measurement & Application
- Statement 73 Accounting and Financial Reporting for Pensions and Related Assets Not within the Scope of Statement 68, & Amendments to 67 & 68
- Statement 74 Financial Reporting for OPEB Plans
- Statement 75 Accounting & Financial Reporting for OPEB employers
- Statement 76 GAAP Hierarchy
- Statement 77 Tax Abatement Disclosures
- Statement 78 Pensions Provided through Certain Multiple-Employer DB Plans
- Statement 79 Certain External Investment Pools & Pool Participants
- Statement 80 Blending Requirements for Certain Component Units
- Statement 81 Irrevocable Split-Interest Agreements
- Statement 82 Pension Issues
- Fiduciary Responsibility exposure draft
- Asset Retirement Obligations exposure draft
- Leases exposure draft
- Omnibus exposure draft
- Debt extinguishment exposure draft
- Financial Reporting Model project



## Well, at least they spread the effective dates out a bit Effective Dates - Sept 30

- 2016
  - Statement 72—Fair value—Measurement and application
  - Statement 73—Pensions—Related assets (outside the scope of Statements 67 and 68) and Statements 67 and 68 amendments
  - Statement 76—GAAPhierarchy
  - Statement 79—External investment pools (most of it anyway)
  - Implementation Guide—2015–1
- 2017
  - Statement 73—Pensions—Employers (outside the scope of Statement 68)
  - Statement 74—Other Postemployment Benefits (OPEB) plan reporting
  - Statement 77—Tax abatements disclosures (applicable to 12–31–16 year ends also)
  - Statement 78—Pensions provided through certain multiple-employer defined benefit pension plans (applicable to 12-31-16 year ends also)
  - Statement 80-Blending requirements for certain component units
  - Statement 82 Pension Issues
  - Implementation Guide—2016-1



5

# Effective Dates - Sept 30

- 2018
  - Statement 75—OPEB—Employers
  - Statement 81—Irrevocable split-interest agreements (applicable to 12-31-17 year ends also)
  - Omnibus exposure draft

#### Expected Effective Dates

- 2019
  - · Fiduciary activities exposure draft
  - Asset retirement obligations exposure draft
- 2020
  - · Leases exposure draft
- 20??
  - · Financial reporting model



## GASB Statement No. 72

- Objective: Improve Financial Reporting and clarify the definition of fair value.
- Definition of Fair Value :
  - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. - An exit price - Based on the principal or the government's most advantageous market
- Effective for periods beginning after June 15, 2015



7

# Scope

- Est. general principles for measuring fair value & standards of accounting and financial reporting for assets and liabilities measured at fair value.
- Markets fair value measurement assumes that a transaction to sell an asset or transfer a liability takes place in either a principal market or the most advantageous market.



# Fair Value Hierarchy

- Consist of three levels:
  - Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
  - Level 2: Inputs, other than quoted prices included in Level 1, that are observable for an asset or liability (either directly or indirectly)
    - · Market quotes for similar assets
    - Yield curves that are observable at commonly quoted intervals
  - Level 3: Unobservable inputs for an asset or liability -Midmarket consensus price for a swap that uses data that are not directly observable and cannot be corroborated by the observable market data (nice, huh)



9

# GASB Statement No. 73

- Primarily to establish requirements for defined benefit not within scope of statement 68.
- Those not meeting the trust criteria:
  - Employer/nonemployer contributions irrevocable
  - Plan assets dedicated to providing pensions
  - Plan assets legally protected from creditors
- Applies approach of statements 67/68 with modifications



## Statement 74 & 75 - OPEB

- Addresses both OPEB Plans Administered through trust & not administered through trust
  - Same trust criteria as pensions
- Requires reporting of liability in the F.S.
  - Trust: Total OPEB Liability FNP= NPL
  - Not trust: Total OPEB liability = Liability
- Effective Date:
  - 74 fiscal years beginning after June 15, 2016
  - 75 fiscal years beginning after June 15, 2017



11

# Statement 74 & 75 - OPEB

- OPEB
  - Other postemployment benefits all postemployment benefits promised to employees other than pensions
    - Medical, dental, vision separately or through a pension plan.
  - Principally, retiree health insurance but also life insurance, disability, legal services, and other benefits
    - · Provided separately from a pension plan.
- Includes:
  - Payments made to insurance companies on behalf of retirees,
  - Payments directly to retirees, and
  - Subsidizing retiree premiums by allowing them to be insured in the same group as active employees



# GASB 76 - "The GAAP Hierarchy"

- Effective for periods beginning after June 15, 2015
- Current GAAP hierarchy was incorporated from auditing literature "as is" this standard identifies/explains how to identify the relevant literature within the hierarchy
- The Comprehensive Implementation Guide now included for public comment. (That means it's now AUTHORITATIVE!!!)



13

# GASB 77 - Tax Abatement

- Effective for periods beginning after December 15, 2015
- Issued to increase information about revenues that governments forgo is essential to understanding financial position and economic condition, interperiod equity, sources and uses of financial resources, and compliance with finance related legal or contractual requirements



## GASB 77 - Tax Abatement

- Effective for periods beginning after December 15, 2015
- Issued to increase information about revenues that governments forgo is essential to understanding financial position and economic condition, interperiod equity, sources and uses of financial resources, and compliance with finance related legal or contractual requirements
- Disclosure only, but WILL apply to any agreements where a government "uh-bates" taxes or "re-bates' taxes others



15

# GASB 78 - Pensions through Certain Multi-Employer DB Plans

- Effective for periods beginning after December 15, 2015
- GASB 68 applied to all State & Local Govt employers (if provided through a trust) but what if the plan include non-government entities or had no predominate state or local government.



# Scope & Application

- Establish accounting and financial reporting for db pension provided to state or local govt employers through cost-sharing pension plans that:
  - Meet criteria of par. 4 of Statement 68
  - Is not a state or local governmental pension plan
  - Is used to provide db pension to both state/local employees & non-state/local employees
  - Has no predominate state or local governmental employer
    - · Collectively or individually
  - E.g. plans with benefits provided through federally sponsored or private multiple-employer pension plans (such as Taft-Hartley plans)



17

# GASB 79 - Certain External Investment Pools & Participants

- Effective 06/15/2016 (portions deferred to 12/15/2016)
- Brings the guidance for 2a7-like investment pools within the GASB literature
  - SEC rule 2a7 was amended in 2014
  - No substantive change to current practice for governments



# GASB 79 - Certain External Investment Pools & Participants

- In general, investments should be carried at fair value
  - Exception made for short-term money market funds (2a7-like) carried at amortized cost, which is expected to approximate market
  - Use of fair value is always permitted
    - Once fair value is elected, you cannot later change back to amortized cost



19

# GASB 80 - Blending Requirements for Certain C.U.

- Effective for periods beginning after June 15, 2016
- Amends GASB Statement No. 14, paragraph
   53. related to blending requirements.
- Does not affect those component units included based on the provisions of GASB Statement No. 39
  - "Determining Whether Certain Organizations are Component Units"



# Scope & Application

- Applies to C.U.'s that are organized as not-forprofits corporations in which the primary government is the sole corporate member.
- A component unit should be included in the reporting entity financial statements using the blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member, as identified in the component unit's articles of incorporation or bylaws, and the component unit is included in the financial reporting entity pursuant to the provisions in paragraphs 21-37 of Statement 14, as amended



21

# GASB 81: Irrevocable Split Interest Agreements

- The GASB standard for reporting splitinterest agreements.
- Currently limited guidance for such agreements when the govt. acts as the trustee and is also a beneficiary
- No guidance for situation in which a 3<sup>rd</sup> party is the trustee and the govt is one of the beneficiaries



# Scope

- Irrevocable split-interest agreements for which the government is the intermediary (trustee or agent) and a beneficiary
  - Donor gives resources to government that also is a beneficiary in the agreement
  - Lead interest: payments during the life of the agreement, generally to non-governmental beneficiary (donor or donor's relative)
  - Remainder interest: assets remaining at termination of the agreement; generally goes to government
- Beneficial interests in resources held and administered by 3rd parties - Refers to the right to receive resources in a future reporting period, from resources administered by a 3rd party



23

# GASB 82: Pension Issues

- A statement that clarify's existing guidance found in Statement's 67, 68 and 73
- Mostly clarifying language on employer "pickup" payments, when employers pay for th employee's contributions
- Also clarifies what "covered payroll" is defined as for pension purposes



# Leases - Exposure draft

- In a nutshell
  - In the future, there will only be two types of leases
    - Leases with a term of 12 months or less
    - · Leases with a term of more than 12 months
  - For leases with a term of 12 months or less, governments will simply record the monthly payment as expense
  - For leases with a term of more than 12 months, an asset and a liability will be reported by the lessee, and the monthly payments will then reduce the asset and liability, with appropriate expense for an interest component recognized
- It does raise some interesting questions though...



25

# Fiduciary Responsibilities - ED

- Scope: any activity for which a government acts as a fiduciary (agent)
- Government has F.R when it control assets:
  - From a pass-through grant for which the govt does not have administrative or direct involvement
  - Trust agreement or equivalent arrangement in which the govt itself is not a beneficiary
  - For the benefit of individuals that are not part of the citizenry

Essentially, it ends up being a revision to how we define and account for money that we hold for others



# Asset Retirement Obligations - ED

- Currently only addressed in GASB Statement 18
  - "Accounting for Municipal Solid Waste Landfill Closure & Post Closure Care Costs"
- However governments have many other obligations for the retirement of assets (think decommissioned nuclear power plant...you all have lots of those)



27

# Debt Extinguishment - ED

- Project scope to include guidance on debt refunding that use a government's current resources
- Current refunding guidance exist in Statements 7 & 23 on debt refundings and statement 62 on debt extinguishments.
- Research by the GASB staff has found guidance may be needed to address the use of current resources



## Omnibus - ED

- Project scope to include guidance on about a dozen different issues
- Issues range from corrections and/or clarifications related to several OPEB issues,
   Fair Value, Blending component unit requirements, reporting goodwill or negative goodwill, and others



29

# Financial Reporting Model Project

- Reexamination of Statements 34,35,
   37, 41, 46 and Interpretation 6, or in other words, revise or redo
  - 1) state and local reporting model (34 and 35),
  - 2) the bug fix to stmts 34 and 35 (37)
  - 3) the budgetary comparison schedule (41)
  - 4) net position restricted by enabling leg. (46)
  - 5) interpretation 6, which is all about how to understand modified accrual accounting, as if it wasn't already weird enough...
- Evaluate current model and issues with object of improving/enhancing effectiveness of the overall financial reporting model



# Research Topics/Accounting Issues Identified for Reporting Model Project

- Management's Discussion and Analysis (MD&A)—Explore options for enhancing the financial statement analysis component, consider the elimination of requirements that are boilerplate and no longer necessary for understanding the financial reporting model, and clarify guidance for presenting currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.
- Government-Wide Financial Statements—Explore alternatives for the format of the statement of activities and consider whether a government-wide statement of cash flows should be required, and if so, how those cash flows should be presented.
- Major Funds—Explore options for providing additional information about debt service funds, either individual or in aggregate.



31

# Research Topics/Accounting Issues Identified for Reporting Model Project

- Governmental Fund Financial Statements—Explore a conceptually consistent measurement focus and basis of accounting and develop a presentation format for governmental fund financial statements consistent with the measurement focus and basis of accounting. In conjunction with this project, the conceptual framework project on recognition of element of financial statements would be recommenced.
- Proprietary Fund and Business-Type Activity Financial Statements—Evaluate operating indicator alternatives in conjunction with evaluating the guidance for the separate presentation of operating and nonoperating revenues and expenses.
- Fiduciary Fund Financial Statements—Explore where the fiduciary fund financial statements should be presented in the basic financial statements.



# Research Topics/Accounting Issues Identified for Reporting Model Project

- Budgetary Comparisons—Explore the appropriate method of communication (either as basic financial statements or required supplementary information) for budgetary comparison information and consider whether and, if so, which budget variances should be required to be presented.
- Other Issues—As appropriate and in conjunction with other topics, explore options that would permit more timely financial reporting or that would reduce complexity overall.



33

## Tentative Board Decisions To Date

- The near-term financial resources approach, working capital approach with past-due compensation liabilities approach, and a total financial resources approach will be further developed.
- The following two presentation alternatives for resources flows will be further developed: statement of revenues, expenditures, and changes in fund balances (current format) and short-term (or current) activities separated from long-term activities.
- The following alternatives will continue to be explored for the presentation of the government-wide statement of activities: the current format and a traditional format with expenses presented by function or program. Methods of communicating information about the natural classification of functional expenses will be explored.
- A governmental funds statement of cash flows that could be presented as part of the working capital approach or the total financial resources approach will be further explored.





## APPENDIX M1—GOVERNMENT ACTION PLAN: POHNPEI

#### December 2016 - June 2017 Action Plan

	Pohnpei State Government Corrective Action Plan						
	Tasks (What needs to be done)	Who will lead	When will it be done?	Comments and Notes	Questions to Think About		
1	Bank Reconciliation	Director/Acct Advisor	12/30/16	Payroll weekly,G/F daily, Sector Daily	When can we hire the Acctounting Advisor and the addition Recon staff?		
2	Prior Year Questioned Costs	Director/Acct Advisor	03/15/17	\$700K work with OPA,	Can we use the 2- year rule for 2013 & 2014 QCs?		
3	Fixed Assets Tagging & Inventory Monitoring	Director/Acct Advisor	12/30/16	Reconcile with Compact Sector Depts monthly & Quarterly for General Fund			
4	Update Dashboard Quarterly	Chief of Finance	15th day after quarter end	Submit with quarterly report to Cheryll, CMU and Leaders			
5	Collection of Travel Advances	Chief of Finance	Monthly	Chief of Finance must report to Director 15 days after each month			

## APPENDIX M2— GOVERNMENT ACTION PLAN: CNMI

Yo	December 2016-June 2017 Action Plan Your Name and Government:					
#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Questions		
	Meet with Governor to debrief/share outcome of IGFOA 2016		Dec. 30			
	Submit Procurement Regulation to Commonwealth Register	DOF	30-Jan			
	Finalize Cash Management Plan	DOF	1-Feb			
	Begin draft of SOPs for F&A	DOF	1-Feb			
	Finalize SOPs	DOF	1-Apr			
	Create Single Audit Timeline for required submissions	OGM/SAC	30-Jan			
	Set SAC Meeting/Send Memo invitation to SAC	OGM (Epi)	12/1/2016			
	SAC Meeting re: FY 16 Single Audit	OGM	Jan-17			
	Assign CAP Development/Monitoring roles ("CAP Czar")	SAC	Jan-17			
	Hire (2) Federal Program Compliance staff	OGM	Jun-17			

#### APPENDIX M3— GOVERNMENT ACTION PLAN: AMERICAN SAMOA

Financial forecasting

model

Performance

measures

Carri-Lee

Levi

(Treasury) &

Shab (Budget)

AMERICAN SAMOA GOVERNMENT IGFOA DECEMBER 2016 ACTION PLAN							
Task	Task Who When Comments						
Employee/employer contributions retirement fund	Financial leaders	Mar-17	There have been no increases in employee/employer contributions to the retirement fund Address how this affects pension funds				
Upgrade of FMIS	Financial leaders	Feb-17	Need to obtain real time financial info. (e.g. Cash flow)				

Jan-17

Jan-17

On a daily basis

Work on template

**Grant receivables** 

grant funds

Draw downs - % of unspent

## APPENDIX M4— GOVERNMENT ACTION PLAN: AMERICAN SAMOA

	FSM National Government Action Plan						
	Task (What needs to be done)	Who will lead?	Start date	Completion date	Comments and Notes		
1	GL Accounts Reconciliation	Accounting advisor	January 2017	March 2017	Receivables and expenditures		
2	Development of Uniform Procurement Policy	Secretary	April 2017	May 2017	To be in line with the Uniform Grant Guidance		
3	Procurement of FMIS	Secretary	Ongoing	January 2019			
	Seek technical assistance for FMIS procurement preparation		February 2017	September 2017			
4	Resolution of prior years' questioned costs	Audit Resolution Committee	Ongoing	March 2017			
5	Seek technical assistance for capacity assessment for accounting and budget staff	Asst. secretary- BEM	March 2017	March 2017			

## **APPENDIX M5— GOVERNMENT ACTION PLAN: GUAM**

Go	Government of Guam						
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions		
1	Government Presentations	Kathy	Ongoing	GASBs, Banking RFP, Performance Measures	Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?		
	Transparency	Ken Borja	Sep-17	Find out from vendors we visited at the exhibition hall what their softwares capabilities are.			
	Banking Technology	Rosita Fejeran	Feb-17				
2	Financial Forecasting Model	Jennifer Claros	Completed	Adopted Cash Flow Template comparisons	If you wish to use the forecasting model, include the steps you need to do to follow up.		
3	Performance	Grace/Mike	On going	Trends for these	What measures		
	Measures	Grace, Wine	- 11 Pollip	two measures are increasing so we will monitor them on a	do I need to start		
	Travel A/R	Mike	On going		using? How are we going to use them?		
	Federal A/R	Armilyn	On going	quarterly basis			

#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
4	OMB Uniform Grant Guidance	Armi Lyn	Training Completed		What other steps does your government need to do to ensure that the UGG is fully implemented?
	Internal control		By Sep 2016	review if any update or	
	Review existing policies & procedures			changes need to be made or modified	
5	GASB Update				Note steps your government will need to take to ensure compliance with the new GASB pronouncements
	GASB 72 - FY16 Cash Investments Disclosures	Kathy	02-29-17		·
	Fair Value				
	GASB 74 & 75	Kathy	Apr-17		
	OPEB FY15	Kathy	Sep-16	Awarded RFP	
	OPEB FY7		Mar-18		
	GASB 77				
	Rebates	Goody Rosario	Sep-17	Early Adoption	
6	Procuring a New Financial Management Information				
	PROJECT SPONSOR	DOA Director	Implemented - July 2016		

#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
	Bring Committee together - expand membership ie.,	DOA Director	Sep-16	First Committee meeting and communication	
	Legislature		Jan-16	Formalize committee	
	Dedicate, long-term non political project governence	Decide if internal or contracted	Feb-17	Need support for Office of Governor	Project Manager?
	Establish Core Team includes Line Staff.	Project Manager		Request RFP Sar	nple from Hawa
	Establish Division Teams.	_	Division Managers - Core Team Representative		
	Access needs, dislikes & risks.	Project Manager		Determine wants/needs.	
	Quantify & Identify Funding Sources	Project Sponso Committee	r, Steering		
	Develop RFP.	Core Team wit of Steering con			
	Interview Vendors & References.				
	See System in action Demo.				
	Negotiate Contract.				
	System Implementation process.			Set up & Design, Training & Live.	Data conversion
	Other:				
_	E-Gov portal	Ken Borja	Sep-17		
	Online Payments	Ken Borja	Sep-17		

Go	Government of Guam						
#	Task (What needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions		
7	Equipment Management						
	Staffing:						
	Hire & Train Fixed Assets Staff	Armilyn Lujan	Upon Budget Approval	Limited Term Acc Technician hired Grant term expir	by Federal		
	Train the Trainer:						
	Train Agencies personnel proper handling of assets - maintenance, lost, stolen, disposition	Armilyn Lujan	Quarterly	Property Manage identified by Dire Circular will be issued.			
	Tagging of Equipment	Oscar Dimalanta	Quarterly				
	Dowloading excel report and sort by Agency.						
	Contact and coordinate with Agency the location and scheduling of the asset tagging.						
	Reporting	Jennifer/ Krystyna	Quarterly				
	Downloading Excel Report and sort by Asset Type.						
	Compute depreciation.						
	Prepare journal vouchers.						

	Fixed Assets Module			
	Download Fixed Assets information to Excel.	Krystyna	Mar-17	
	Scrub file to include only active Assets, load in fixed assets ledger.			
8	Performeters	Christine Baleto	Jan-17	
	Introduce Guam's Performance Report to Governor			

## **APPENDIX M6— GOVERNMENT ACTION PLAN: KOSRAE**

# KOSRAE STATE FINANCE ACTION PLAN DATE: DECEMBER 2016 - JUNE 2017

		When will it	
Task (What needs to be done)	Who will lead?	be done?	Comments

#### 1. Insular Government Updates

Adopt Financial Forcasting Model	Lipar/Palikkun/Pris	Mar-17	
Update FMR Based on UG	Director/Division Heads/ Finance Advisor	Mar-17	Continuous UGG Training
Further Review and Implementation of Performance Measures Introduced in Toronto	Switson/ Ursula/ Shiro	Mar-17	Measure % on Unspent FG
Complete FY 16 Audit : Removal of FY '15 Audit Finding	Ursula/ Finance	May-17	

#### 2. Procuring a New FMIS

Collaborate with FSM National	IT Manager with	TBD by FSM	
Government through the PROCESS	FSM National	National	
	Gov't.		

#### 3. Wesley Macchida, Hawaii Dept. of Budget and Finance

Pending further Review on	Director and State	Director Isaac	
Presentation material (ie. Excise Tax,	Leadership	will introduce	
Formal Reserve Policy)		on next	
		Cabinet	
		Meeting	

#### 4. Performeters

Improve Performeter scores	All stakeholders	Jun-17	
Share Performeter Material with Leadership	Director	ASAP	

#### 5. 2015 Audit Findings Update

Share information	from	Director/Shiro	Jan-17	
presentation to Pro	gram People and			
Finance Key staff				

#### 7. Audit Findings Resolution Process

Adopt the CORAL Approach	Finance and	Jan-17	
	Budget		

## 8. Developing Effective Corrective Action Plan

Continue to prevent Qualification	Director/ Finance/	Ongoing	
Citations	Budget		
Developing Monitoring Plan	Ursula/ Finance	ASAP	
	Staff		

## 9. What's up with our Measures?

Continuous Monitoring and Follow-ups	DOA	Ongoing	
Update and share Dashboard with Leaders/stakeholders	DOA	January	

#### 10. GASB Update

٠.	ones operate					
	Further Review on Statement 72	Ursula	ASAP			

## **APPENDIX M7—RMI ACTION PLAN**

#### **IGFOA DECEMBER 2016 – JUNE ACTION PLAN**

#	Task (What needs to be done?)	Who will Lead?	When will it	Comments and
1	Government Presentation	Leaur	be Done	Notes
	-Present to Secretary	Budget	Feb. 2016	Share highlights from other
	reseme to secretary	Daaget	165. 2010	governments
				Recommend to other division
				heads to replication within their
				port folios (where necessary)
2	Financial Forecasting Model			
	-Not utilizing model introduced in			
	Toronoto			
	-Refining current model	Secretary	Sept. 2017	Re-engage with WB or IMF
				Consultants to develop final
				products
3	Performance Measures			
	-Completion of Personnel	Secretary	Sept. 2017	Complete circular, distribute,
	Evaluations			then ensure all divisions comply
	-# Training hours per finance	Secretary	Sept. 2017	Through evaluations, develop
	employee			training program or educational
				advancement need then source
	-# of days cash on hand (revise to	Accounting	Sept. 2017	In progress. Dedicated
	Cash Management System			consultant. But progress is
	0/ of war and ford and founds	Dudget	Jan. 2017	behind schedule.
	-% of unspent federal funds	Budget	Jan. 2017	Compile and produce report. Schedule on a monthly basis
	(add to current performance			,
	measures)			
4	OMB Uniform Grant Guidance	Budget	Jan. 2017	Action Plan to ensure proper
				implementation will follow
				initial assessment of responsible
				personnel
	-Assess with current and acquire			*Issue – cited in audit for fy15
	degree of competence then			
	develop action plan			
5	GASB Update	Accounting		Meet w/ auditor and review
	0.450.70			relevance + how to implement
	-GASB 72			
	-GASB 74 & 75			
	-GASB 77			

6	Other	Secretary	Feb. 2017	Acquire assistance from Debbie
				Milks.
	-System Selection (Assess			-complete RFP criteria
	potential systems)			-chart of accounts
	-Hire Project Manager with Local			
	Counterpart			

## **APPENDIX M8—ROP ACTION PLAN**

	DECEMBER 2016 - JUNE 2017 ACTION PLAN REPUBLIC OF PALAU					
#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Comments and Notes		
1	Performance Measures	MOF Mgmt Team	September 2017	Prioritize & improve performance on key indicators		
	Travel Section	Chief-DFA		Recruit additional staff, Implement updated Travel Policy once finalized		
	Bank Reconciliation	Chief-DFA		Recruit additional staff, continue to train existing staff & cross-train		
	Fixed Assets	Chief-DPSO		Adhere to Procurement Policy, survey unlocated assets		
	1 Develop checklist					
	2 Meet with agencies			Inform agencies and confirm property custodians		
	3 Update property list					
	4 Review & update property management policy					
	Federal Grant Receivables	Chief-DGM				
	1 Review & improve drawdown procedure					
	2 Request Additional Access to PMS					
	3 Train Progam Managers on new procedures					
	Implement On-line Requisitioning	ISSS		MOF-Pilot Project		
	1 Document workflow process					
	Review and update COA maintenance procedures					
	1 Identify additional reporting requirements					
	2 Produce draft COA					

2	Strengthen Utilization of Performance Measures	MOF Mgmt Team	September 2017	Establish framework for consistent review & evaluation
	Establish framework for consistent review & evaluation			
	1 Identify key "Users"			Improve performance based on measures
	2 Mainstreaming performance measures in staff meetings			
	3 Expand Performeter			
	-Include GF and Special Revenue Funds			
	-Incorporate economic indicators			
3	Improve Resolution of Audit Findings	ARC	September 2017	Audit Review Committee- reporting/monitoring on audit findings
	Establish framework for consistent review & evaluation			
	Develop ARC procedures			Include periodic reporting-not less than every 2 months
4	Standardize Financial Forecasting Model	BBP	September 2017	Formalize procedures
	Document financial forecasting framework			
	Develop standard reports and deadline dates utilizing FMS			
5	HR Module	BPSS	September 2017	Develop & utilize full staffing plans for FMIS budget control module
	Develop full staffing plans for MOF and another ministry as pilots			
	Utilize full staffing plan for budget control			
6	Identify and secure financing for new FMS	MOF/BBP	FY2018	Begin Planning Process possibly with DOI TA
	Establish 'governance structure'			
	Develop New System Acquisition Plan			
	Seek support from MLS			Possible joint proposal

## APPENDIX M9—US VIRGIN ISLANDS ACTION PLAN

IGFOA ACTION PLAN FROM MAY, 2016 UNITED STATES VIRGIN ISLANDS						
Task	Who	When	Comments			
<b>Government Presentations</b>						
Improvements of fixed assets includes						
Fixed Asset Policy	P&P & DOF	4th Quarter of FY 2017	Working with P&P to implement before end of FY2017			
Capital Asset Management	DOF	3rd Quarter of FY 2017	Have meetings with all stakeholders throughout GVI to standardize process			
Financial Forecasting Model						
X Follow up on the implementation of the forecast model for the GVI	DOF	Completed	Implementation in FY2016 resulted in a 5 year financial plan			
X Training relative personnel at various departments on using the forecast model	DOF	Completed	DOF and the Financial Team has been trained and is currently utilizing the model			
Performance Measures						
X Division Performance Reviews	ОМВ	3rd Quarter of FY 2017	Have already began working with Departments and Agencies for more timely reporting			
X Employee Evaluations	DOP	Completed	Implemented Employee evaluations			
X Cash Management Plan	Treasury	Completed	Implemented a cash management plan			
X Bank Reconciliations	Treasury	Completed	We have hired more staff and reconciliation is now more current			
X Fixed Assets Management	P&P & DOF	FY 2018	We are working with P&P to implement the Fixed Asset Module			
X Create a detail corrective plan for Audit Findings	DOF	FY 2018	Develop an Audit Team to tackle all findings by delegation			
OMB Uniform Grant Guidance						
X More training and follow up for FGMU and Federal Grants Managers	OMB/DOF	4th Quarter of FY 2017	Work collaboratively with with OMB to fully implement the Grants Management Module			
X Making sure guidelines are followed for issued grants	OMB/DOF	3rd Quarter of FY 2017	Establish Federal Grants SOPPs that is equal or stricter than the Uniform Federal Guidelines			
X SF425	OMB	3rd Quarter of FY 2017	Demand supporting documentation			

## APPENDIX M10—YAP ACTION PLAN

- 1. Audit Resolution Committee: Form an official committee to resolve prior years' questioned cost and to review each year's audit results for improvement or resolutions.
- 2. Review, propose and implement changes to Financial Management Regulations before end of June 2017.
- 3. Clean up aged A/R accounts

Task	Who'll lead	Completion	Notes
Form an audit	Chief of Finance	By January 2017	4.
resolution			
committee to			
resolve prior years'			
QC's and an on-			
going basis review			
audit results for			
improvements or			
resolutions.			
Review, propose	Chief of Finance	By June 2017	5.
and implement			
changes to FMR			
Clean up aged AR	Chief of Finance	By end of FY 16	6.
accounts			

## **APPENDIX M11—TRUUK ACTION PLAN**

	JUNE 2016 DECEMBER 2016 ACTION PLAN						
Yo	Your Name and Government:						
#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions		
1	Government Presentations				Was there anything from the GFOA sessions or the IGFOA presentations that you should (or would like to) follow up on for your government?		
а	Human Resources employment annual evaluation	Supervisors	annually	Start an employee annual evaluation for each of the employees.			
b	Cross training among employees	Supervisors	Dec, 2016				
2	Financial Forecasting Model				If you wish to use the forecasting model, include the steps you need to do to follow up.		
	Should adopt the financial forcasting model	Chief of finance		Should adopt the financial model in order to keep track of the financial forcasting.	a) review, b) consult, c) practice, d) analyse, e) adopt		

#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
3	Performance Measures				What measures do I need
а	# of days to process an invoice	Consultant	by end of year	should be monitored.	to start using? How are we going to use them?
b	To have a cash management plan	Chief of finance	by Dec, 2016	Should have it in place.	
С	Travel advances should be collected	Travel section supervisor	by Dec, 2016	How many percent outstanding travel advances are collected	
d	Fixed asset physical inventory should be updated	Supply & Procurement supervisor	by Dec, 2016	Inventory of fixed asset should be current	
е	Bank reconciliation should be on a timely basis	Chief of finance	by Dec, 2016	Bank reconciliation should be updated and current	
4	OMB Uniform Grant Guidance				What other steps does your government need to do to ensure that the UGG is fully implemented?
а	Should adopt the OMB uniform Grant Guidance.	Consultant	Dec.2016	OMB uniform grant guidance should be reviewed and adopted	The fixed assets, and the procurement process

#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions
5	GASB Update				Note steps your government will need to take to ensure complicance with the new GASB pronouncements
	GASB 72				
	GASB 74 & 75				
	GASB 77				
6	Systems Planning (if applicable)				

Yo	DECEMBER 2016 ACTION PLAN Your Name and Government:						
#	Task (W <u>hat</u> needs to be done?)	Who will lead?	When will it be done?	Comments and Notes	Questions		
1	Performance Measures						
а	Work on performance measures where improvement is needed most: (reconciliation, travel advances, # of days invoice process, & federal receivables)	Chief of Finance/ Assisted by Section Supervisors	January 2017	should be monitored.			
2	Procuring new FMIS						
а	Working collaboratively with FSM government & sister states to come up with one plan	Chief of Budget		should be work together to have one system across the nation.			
3	Performeter reports						
	Reports should be shared with all stakeholders: Executive, Legislative and Judiciary branches	FO/Chief of Finance	April 2017	Increase communication among stakeholders on the status			
4	Audit Findings:						
	Do follow up on resolutions for PY question costs	Consultant/ Advisor	January 2017				
	Implement the Corrective Action Plan	Consultant/ Advisor	January 2017				
5							

## Island Government Finance Officers' Association (IGFOA) Meeting

# Pacific Islands Training Initiative Virgin Islands Training Initiative

Honolulu, Hawaii December 6 – 8, 2016

# **EVALUATION SUMMARY** (34 Evaluations Completed)

To ensure that conferences and meetings that the Graduate School USA conducts for the PITI and VITI programs are as responsive as possible, please take a few minutes to fill out this evaluation. Your input and comments will be very useful to us in planning future events.

On a scale of 1 - 5, with 5 being the highest score and 1 being the lowest score, please rate the GFOA Conference and IGFOA Meeting by circling the appropriate number.

## **IGFOA Meeting**

1. The IGFOA meeting sessions were relevant and timely.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
71%	29%	0%	0%	0%
Score: 4.7				

2. The meeting's objectives were substantially met.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
56%	44%	0%	0%	0%
Score: 4.6				

3. Logistics for bringing participants to and from Honolulu were handled satisfactorily.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
62%	29%	9%	0%	0%
Score: 4.5				

4. The IGFOA meeting site (Waikiki Marriott) was comfortable and conducive to the meeting.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
73%	24%	0%	3%	0%
Score: 4.7				

5. Support services by the Graduate School USA staff during the meeting were handled well and in a timely manner.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
76%	24%	0%	0%	0%
Score: 4.8				

6. Overall, this conference of the Island Government Finance Officers' Association (IGFOA) was;

Excellent	Very Good	Average	Fair	Disappointing
65%	34%	0%	0%	0%
Score: 4.6				

## 7. What sessions of the IGFOA Meeting were the most relevant and meaningful to you?

- All
- In reference to the single audit or pertaining to the audit
- Single audit reporting, emphasize findings and stating recommended plans to undertake
- All sessions
- Debbie's presentation on procuring a new FMIS. Mr. Wes Machida, Director of Finance Hawaii, reports of government action plans
- Debbie's PP on procuring a new system. It's very helpful to hear Debbie's thoughts and advice on what/how to go about in getting a new system. Frank GASB were very helpful. I think if I were to read update by myself, I won't be able to fully understand. It was very helpful
- Procuring new FMS, GASB updates
- This is my first time attending IGFOA meeting, so all concepts discussed were some what interesting. But, what stands out the most is I think is the integration of Hawaii in bringing them in to share their story and experience on similar issues island countries face.
- Selections were well chosen and will assist us with improving our performance which will eventually reflect in our reports given action plans are properly executed
- All sessions, particularly GASB
- Findings and GASB
- Government updates, the audit findings resolution process
- Performeter, CAP, FMIS
- Audit findings and corrective action plans
- GASB Update, CAP
- Debra Milks- audit findings, Frank Crawford Performeter
- Performance measure update were meaningful
- Island government reports; Procuring FMIS, Wesley Machida's presentation
- Procuring a new FMIS
- System requisition presentation by Debbie
- Audit resolution and GASB update

- Guest speaker, Wesley Machida on budgets relative to unfunded liability was very helpful. All guest speakers were excellent and addressed many of the gaps that makes our government less effective
- The performance measure from each respective government. It motivates us to do better next time since you heard from all the governments and who wants give a report that will label you as a bad operated activity
- As a finance personnel, I believe that all of the sessions of the meeting were relevant and meaningful
- Every session
- Director of Hawaii Finance, Performeter, Debbie's presentation
- Presentation on new FMIS acquisition
- Discussions and examples. Performance measure strategies
- HHS sessions and WES Hawaii Treasurer
- All of them
- Performance measures and GASB Update
- Procuring new FMIS system
- Important to resolve audit findings and FMI
- Grants management; DHSS; FMI; Performance Measures

# 8. What are the two most important items that you learned during the week, and how will you apply each when you return home?

- You need to have a plan and follow through
- That the whole audit preparation actual and active taking part in the process is a team effort. Other key players from other departments and components must be part of any discussion with respect to resolving findings and also question costs.
   We will start to include other department key players during the process in taking corrective actions.
- Process of procuring FMIS adopt; What's up with measures –importance of monitoring
- Most important in reference to my job is setting the requirements for HR module in the new FMIS. Learning firsthand about my country's performeter
- It's been very helpful listening to how others are dealing with bank reconciliation and A/R accounts and some of their suggestions on how to improve. Debbie's explanation /presentation was an eye opener as well as what to consider for

chart of accounts set up and potential problems will have with our current system

- Strong process for securing FMS, GASB updates
- GASB update session; Action Plan
- Lessons learnt were abundant. But, particular interest was the audit resolutions and FMS acquisitions
- Communication effectively/sharing; Standup and do what is right
- Findings and GASB I will do my part by applying these updates to my processes and transactions in my department
- Developing corrective action plans. Apply to single audit committee
- Must clear prior audit findings, finish single audit timely
- Hawaii financial state and revenue initiatives, How to implement a CAP
- Pay more attention to performance measures and have them applied in the workforce, focus on pension fund
- Performeter & developing effective corrective action plans
- Steps to procuring FMIS, Audit findings resolution process
- System process
- System acquisition process
- Grant management
- How to address the unfunded liability, do RFPs and how to make detail action plans to clean up audits
- Corrective action plan by Jean Yamamura and the CORAL from Marina. Those are good and important information to work with on our audit findings and question costs
- FMIS & HHS
- FMIS and Performeter
- Investment and chart of accounts
- FMS " process" and GASB update
- Financial Management
- Performeter
- FMIS system procurement process and insular government area updates
- Performters; A,F,T,E,R, Analysis
- Procurement of FMIS and performance measures

## 9. What sessions or aspects during the week were the least relevant and meaningful to you?

- No complaints
- Rock, paper, scissors
- Discussions about pension plan as we don't yet have a pension plan in existence
- Activities not related to training/working sessions. I prefer a more formal targeted program
- All were highly relevant, but base on least utilized, it would be the GASB
- HHS Grants
- Performeter, process, CAP
- Developing effective CAP
- GASB
- All sessions work for me, maybe less on trivia games
- Jeanne's and Debbie's presentation
- GASB
- Developing corrective action plans
- Rock, paper, scissors

## 10. Please list any measurable achievement your government has made as a result of being represented at IFOA conferences.

- Travel advance collection, audit, bank reconciliation
- The performance meter/dashboard has pointed me to areas I may need to focus on by getting advice and learning from others about their own experiences. The measures used at IGFOA has been a good and useful tool on sharing our finance office performance with others
- I did not realize how many improvements and tools we are using that are the result of IGFOA conferences. Also I just learned of graduates of ELDP that now understand why they are "stars" in our departments and government
- Paying more attention on travel advances; More frequent audit committee/related work meeting
- Since all participants are new, monitoring progress following Toronto did not provide the desired results. Next workshop will echo results
- Improvements on the performance measures and overall little improvement on the Performeter; Especially the reduction of # of question costs

- Bank recons are always on time
- Reduction on questioned costs
- Timely processing of invoices, reduced travel advances, recon time lessens
- Decrease repeated audit findings
- Implementation of a forecast model that resulted in a five year financial plan
- Reduction of Findings, FMIS Upgrade
- Fiscal position and performance
- Fiscal policy, audit performance
- Overall fiscal position and procedures
- Audit resolution, bank recon and travel advance
- Develop a cash model plan to monitor cash flow
- Travel Advance Measure
- Yet to see
- Performance management enhanced accountability and transparency
- Audit findings on time
- Bank recon and travel advance
- Timely banking reconciliation and reduction in outstanding TA
- I think we will try to work together with our staff to improve on a number of areas
- Installing the new FMI (one solution) and timely bank recons

# 11. Please provide any other comments concerning the IGFOA Meeting that will make future conferences and meetings more meaningful and enjoyable.

- Not quite sure how, but solutions to common problems could be focused or incorporated into the opportunity that IGFOA provide
- All day in same room was a bit much. Perhaps, working lunch in a different room
- Consider inviting more participants
- More collaborative activities and more guest speakers
- Host meetings in island member countries
- Include Best Practices in government update presentations on how it improved measures, ELDP participant success stories
- Overall, it was a great learning experience and I enjoyed it
- Job well done
- Possibly as/have guest speakers from FAS or islands to share best practices

- It was very good. The resources, handouts power point slides and interaction was very helpful and will be very beneficial to our government
- I would recommend more participants from some of the government since what we've learned here are good resources for all the offices in the government
- To have Nik Pula be present at all the IGFOA conferences to keep motivating us to believe in ourselves that we can do more
- Maybe hold one or two IGFOA winter conference in the islands for closer interaction with leaders and stakeholders
- Good presentations by Debbie and Jeanne
- Federal government issues should be given a more relevant information to the needs to improve our weaknesses in handling the grants to avoid QC
- This conference is excellent in itself already Need more federal program presence
- Everything was great. This was my first time and I had a marvelous time.

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