



Dept. of Administration-Office of Accounts and Control



Preliminary Information for the House Subcommittee on Administrative Efficiency

Acting Director Department of Administration James Thorsen

State Controller Peter Keenan, CPA

June 3, 2021

**RHODE
ISLAND**

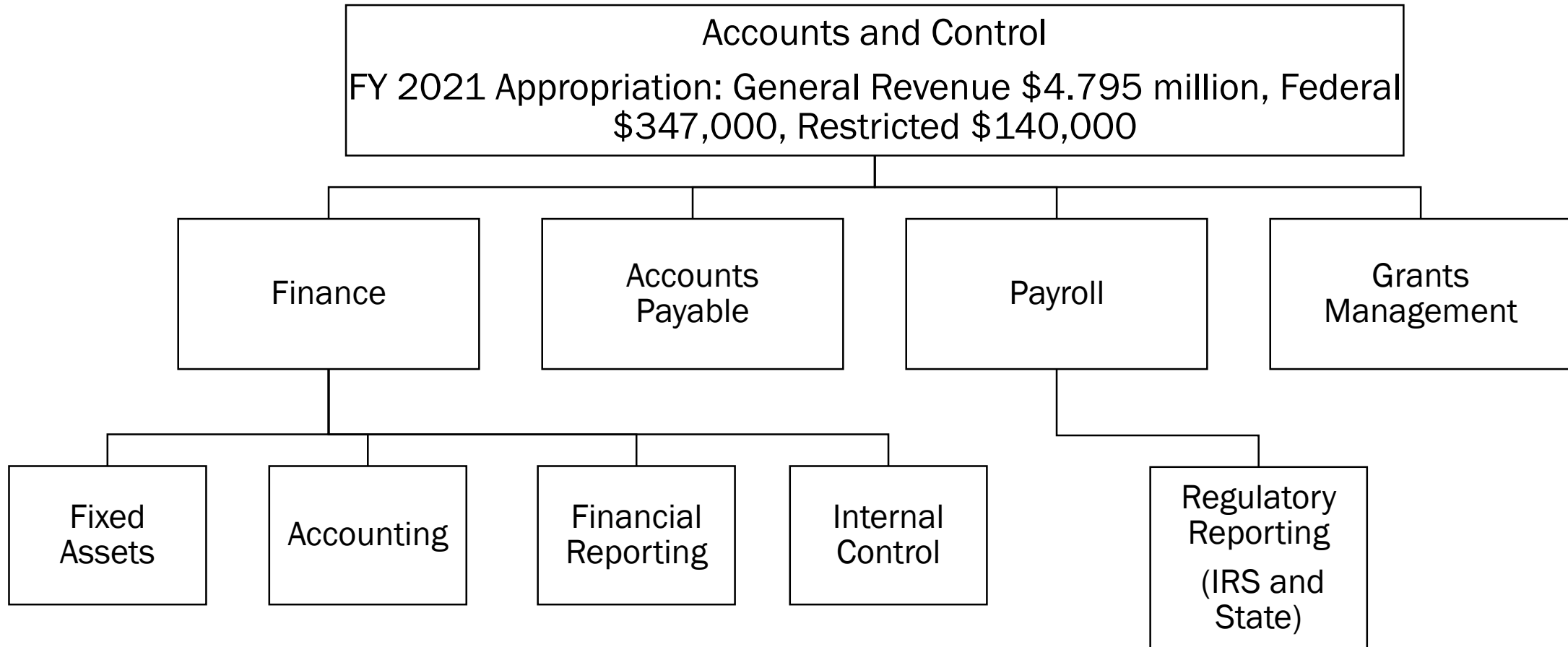
Agenda

- Office Overview
- Mission, Functions, Goals

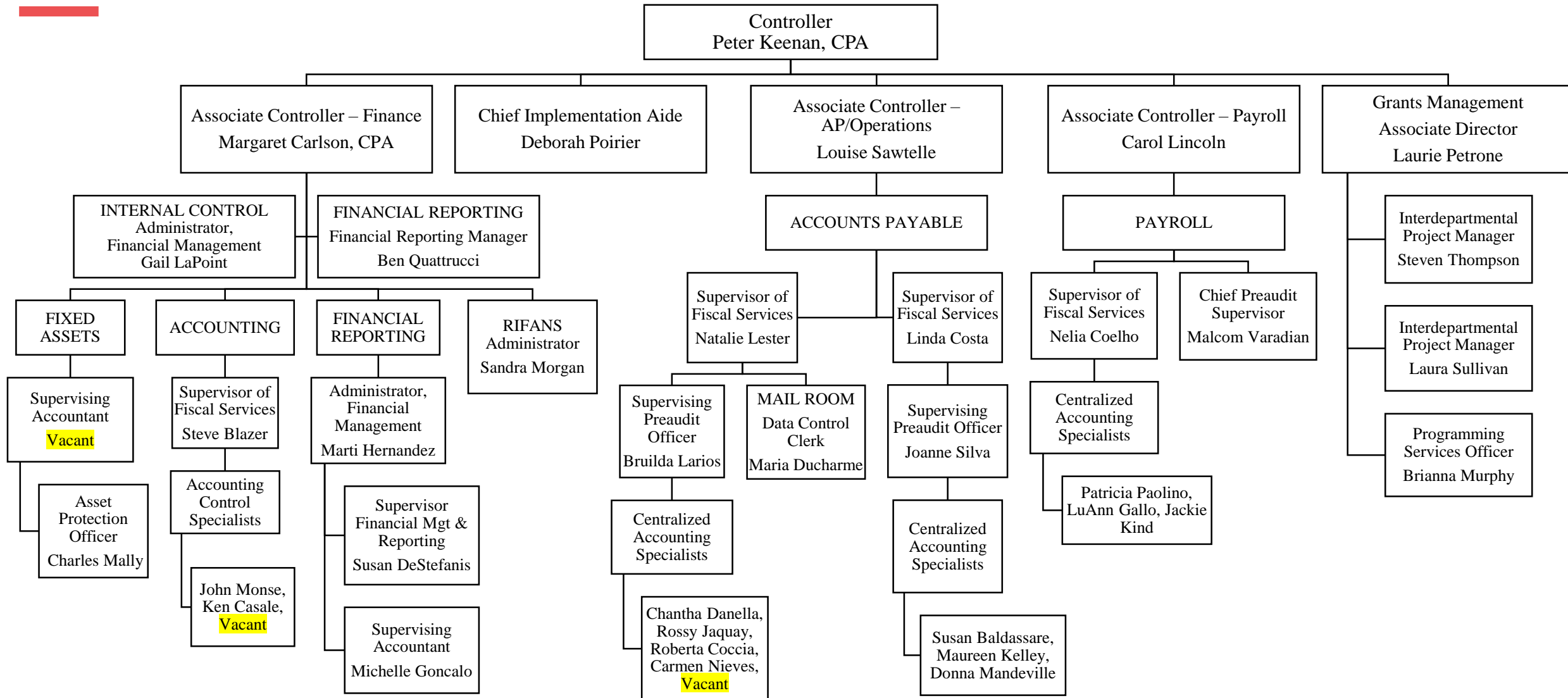
Office Overview

**RHODE
ISLAND**

General Functions of Accounts and Control



Organizational Chart



Mission, Functions, and Goals

Mission

The Office's mission is to promote the financial integrity and accountability of state government through sound administrative and accounting controls, software applications, and policies/procedures.

- **Responsibilities** include maintaining the official record of all financial transactions for state government; preparing and distributing timely and accurate information on the State's fiscal operations; reviewing and approving all disbursements made to suppliers, grantees, municipalities, and state employees (payroll and related taxes, benefit costs); and developing and enforcing policies and procedures to safeguard the State's assets.
- **Top priority**
 - Implementation of an Enterprise Resource Planning (ERP) software application to replace outdated software applications in key business areas including human resources, payroll, time and attendance tracking, and accounts payable.

Manage RIFANS – the State’s General Ledger Software

- Official record of all financial transactions for State government
- Used by all state agencies
- For budgetary control, utilizes a uniform account structure that mirrors the Appropriation Act the General Assembly enacts
- In FY20, over 50,000 journal entries processed in RIFANS

Reporting Focus: Timeliness and Accuracy

Some of the reports the Office prepares include:

- State's Annual Comprehensive Financial Report (ACFR)/Required by Generally Accepted Accounting Principles (GAAP) and audited by Auditor General
 - Consistently earn GFOA Certificate of Achievement for the ACFR
 - Dealing with new accounting standard overload
- Preliminary and final fiscal closing reports per G.L. 35-6-1 (10)
- Monthly revenue reports and quarterly expenditure reports
- RIFANS also includes a host of standard reports and queries that users across state government can produce as needed

Audit Vendor Invoices/Process Supplier Payments

RIFANS is the primary source for all payments to the State’s suppliers, vendors, and municipalities. Over 99% of payments are made in fewer than 30 days

- In FY20, over 262,000 payments totaling \$6.1 billion were made by the Office using RIFANS
- Per state law, staff “pre-audits” all payments to ensure:
 - Compliance with law
 - Inclusion of proper supporting documentation
 - Appropriate approval documented via an electronic hierarchy
- Recently implemented paperless invoicing; enrolling additional suppliers for electronic payment

Process State Employee Payroll

- About 15,400 state employees are paid each pay period (including employees of URI, RIC, and CCRI)
- Virtually all employees receive direct deposit
- Payroll processing is done jointly with Human Resources – HR enters attendance data and establishes rates of pay
- The Office pre-audits all payments and manages all deductions for taxes, benefits, union dues, pension plans etc.
- The HR and payroll software, unlike RIFANS, is internally developed COBOL software dating back over 30 years
- HR and payroll software is not integrated – information requires duplicate entry from paper documents, processes that are inefficient and prone to error
- We also maintain the PayStub RI employee portal and prepare all federal and state payroll tax filings

Grants Management Office

The GMO's mission has been reshaped by the pandemic to focus more on federal compliance and reporting.

- Its ongoing functions include: Standardizing, streamlining, and improving grants business process
 - Establish statewide grants management policies and procedures
 - Procure, implement, and maintain shared technology (grants management system) that supports the standard business process, policies, and procedures and reduces administrative burden and improves program outcomes
 - Training and technical assistance to state agency CFOs, state agency fiscal staff, programmatic grant staff, and community-based sub-recipients
 - Provide timely and accurate award information to stakeholders and the public
 - In FY20, the state spent approximately \$4.5 billion in federal funds

Goals

Please note: The first goal below is the foundation for ensuring the other goals continue to be achieved

- Implement state-of-the-art ERP software that provides increased internal control, efficiency, and real-time information
- Electronic processing of all transactions (eliminate paper documents, such as timesheets)
- Prompt and accurate payment to all suppliers, municipalities, and employees
- Timely and accurate financial information for the General Assembly, taxpayers, managers, and investors