

**Large Agency  
Chief Financial Officers Meeting Minutes  
May 25, 2010**

**PARTICIPANTS:**

Cheryl Toone, ADA/Risk  
Paul Nicola, DCA  
Tim Newton, DEA  
Shana Schaller, DEA  
Craig Rudolph, DTA  
Mike Clark, EVA  
John Lake, HSA  
Reed Spangler, RVA  
Syndia Reeder, WCA  
Mike Smarik, ADA/GAO  
Angela Dillard, ADA/GAO  
Anita Kleinman, ADA/GAO  
Tami Eckloff, ADA/GAO  
Stu Wilbur, ADA/GAO  
Amy Aeppli, ADA/GAO

***ITEMS COVERED***

*Mike Smarik – Welcome & Introductions*

**State Transparency Project – Joanna Greenaway**

The systems requirement has been finalized and signed off. The database and website are being developed. Clark presented the Transparency Website and the Digital Government Summit in downtown Phoenix. An updated presentation was also given to the Governor's Office.

We are starting to do outreach to other municipalities. There was a law passed this last Legislative session that requires local governments to develop transparency websites and we need to link to theirs. The deadline for the municipalities is not until January 2013. We are still working on the agency responses regarding confidentiality.

We are not pulling information from the free form fields such as the description field. However, we would like to caution you on providing any confidential information on those types of fields. Please make sure you are coding transactions to the correct comptroller object. This is going to be critical when people start looking to see what you are spending money on. You need to make sure you are being specific and not rolling everything into miscellaneous.

**Q:** How are we going to handle the credit card payments?

**A:** We are going to pull that information in separately. Viewers will see a payment to US Bank but we will have a separate link to purchasing card information. This will probably not be a phase I item, but some time down the road.

**Q:** There was a web story about possible revisions to comptroller object codes. Is that still going to happen and if so when?

**A:** We need input from the agencies regarding what comptroller objects are lacking, which ones don't make any sense. Think especially of scenarios where you have to use miscellaneous comptroller objects for a large dollar amount. We would like to make changes to the comptroller object listing by July 1.

**Payroll – New A-4 Update – Stu Wilbur.**

Yesterday was the statewide payroll meeting. We gave a lot of information regarding the new A-4 form, critical deadlines, etc. We have recently received approval from the Department of Revenue to offer the A-4 form electronically. Hopefully the electronic form will be ready next week. We will send out a web story the moment it is available for employees.

There are three ways an employees' information can be updated. Payroll offices can start entering paper forms on June 16<sup>th</sup>. We have an upload template agencies can start filling out prior to the upload date, or employees can enter their information into YES. We are doing data cleansing in conjunction with the A-4 updates. We will be sending information to agencies on corrections needed.

In the meeting we also discussed the issues with 9-80's. The 9-80's schedule requires an alternate work week. It creates issues on the weeks of the State's mandatory furloughs. The bottom line is you cannot actually record an employee's actual hours worked on a 9-80's schedule in HRIS. Time should be recorded appropriately for 9-80's schedules.

**Q:** Does ADOA – HR have an opinion on the 9-80's schedules?

**A:** They do not like 9-80's either. We are trying to get HR to not offer any alternate work weeks. It is an HRIS issue. Some in HR feel it is an agency call to allow 9-80's. The 9-80's schedule is scattered across many different agencies. There are 1200 statewide.

**Q:** We would be prepared to do away with the 9-80's schedule but our management is looking for ADOA to come out with some type of recommendation.

**Q:** Is it possible for employee to revert to 2 regular work weeks during the furlough weeks?

**A:** It creates a lot of issues. To go onto and come off of 9-80's creates a lot of issues due to the split day. It takes almost three pay periods to come off of or start a 9-80's schedule. We would like to encourage the end of alternate work weeks. You can still offer flexible schedules, other than the 9-80's schedule.

**Q:** We were able to gain support from our executive staff to do away with the 9-80's for the duration of the furloughs by simply stating that mistakes are going to happen and then we will be liable for overtime.

**A:** The 9-80's will also cause issues for the Employee Time Entry program.

**Q:** Will Employee Time Entry (ETE) be an agency call as to whether we participate in the program or not? Are there options? Or will ETE be mandated?

**A:** The timeframe for the pilot agencies, ADOA, AHCCCS and Health Services for ETE is August. There will be a phase period and where this program works better for some than others. Our goal is to not have two different processes for time entry, paper and electronic.

**Q:** When the discussion regarding ETE first started, we were under the impression it was optional. We do not believe in our business process, doing away with the time keepers is a good idea.

**A:** You will still have time keepers with proxy access to review after the employee has entered and management has reviewed.

**Q:** ETE means we will need to train 4,000 employees on how to use the computer to enter their time.

**A:** We are building online training for the employee and supervisor. If the employee does not have a computer available to them, the time will need to be entered via proxy.

**Q:** We have heard the time entry for the State Hospital will come through via an interface?

**A:** We have not heard anything regarding time entry coming through on an interface. We have been trying to reduce the amount of interfaces we have coming through for time entry.

**Q:** Is the electronic time entry similar to filling out the paper time sheet?

**A:** Very similar.

**Q:** We are still waiting to see how labor distribution will be handled.

**A:** We are not sure how they will handle the labor distribution issues yet. There is a team of people working on this issue.

**ARRA Update – Mike Smarik**

There will be a shortened reporting period for this quarter due to the 4<sup>th</sup> of July holiday. The team will start pulling AFIS information after the month of May closes. There is a change in reporting based on information received from the feds. Previously subrecipient information was provided if expenditures exceeded \$25,000. Now information will be submitted if there is an award made of over \$25,000. Award information is currently not available in AFIS. The collection of this information will be a manual process. Please make sure you are participating in the weekly ARRA calls that Ryan Sommers of the Governor's Office of Economic Recovery is coordinating. If you have ARRA money, you should be participating in those calls.

**CAFR – Mike Smarik & Anita Kleinman**

The 2009 CAFR was issued May 7<sup>th</sup>. It is posted on the website. We are in the process of submitting the Single Audit to the federal government. Please remember the due dates for the 2010 CAFR. The federal government is leaning towards not approving any extensions for Single Audit submissions. If the State is late in submitting reports, we will be penalized in some manner. We appreciate your cooperation in getting information in on time. OMB has stated if the Single Audit is late, we will be classified as a high risk entity.

If there are any ARRA audit findings, they should be resolved within six months. Another reason to be timely on the reporting is so that issues can be identified and resolved. There are discussions of all other federal grants being handled this way too.

**Q:** I had heard any CFDA number that receives ARRA funding will be classified as high risk.

**A:** The feds have classified any ARRA monies as high risk however if they do not meet the threshold for the Single Audit, the Auditor General will not be going out and auditing specifically for the Single Audit. We haven't seen any further guidance on this issue so this is the approach that will be taken at this point.

Due to the increase in compliance regarding auditing, three years ago we had to add to the Single Audit any finding that are financial in nature that could impact federal awards. When that started, we tripled the number of findings. We have gradually been decreasing the number of findings. This year there were very few new findings.

## **Budget & Appropriations Matters – Anita Kleinman & Angela Dillard**

We are focusing on wrapping up an FY10 issues, namely the sweeps. If you have problems with remaining sweeps, we need to know. If you need to go to JLBC and request permission to transfer from one fund to another fund to be able to accommodate the sweeps, we need to know. We will be contacting you if there are outstanding sweeps. If the cash is there, we are going to start transferring it beginning June 15<sup>th</sup> unless we hear from you. We cannot afford to wait until June 30<sup>th</sup> to do them all.

The budget load memo will be going out. It is early this year. We do have a deadline of the end of July this year since it is going out so early. You will not be able to start entering budgets until July 1 but you start getting things prepared. The appropriation load is scheduled for the 18<sup>th</sup>. You will be able to start entering those next week. Be looking at profiles and structures. If there is old information, please clean it up. This year should be easier to clean things up with the due date edit gone. We still encourage you to schedule payments as close to the due date as possible.

Work with your OSPB analyst and your AFIS liaison if there are issues with how the budget cuts were made and if alignments need to be made. If you have any major changes in your budget, work with your liaison. It will save you time using the HostBridge upload instead of keying everything.

Yesterday the JLBC Appropriations Report was posted on their website. You will now have the amounts for the one furlough day and the performance pay reductions for FY10 and the additional FY11 reductions. Please know there are multiple spreadsheets in the back of the JLBC book. One specifically indicates the personnel reductions for FY10 for the General Fund and appropriated funds. You have to go to another section to see the reductions for the nonappropriated funds.

For those of you that are participating in the first round of go live for ProcureAZ, the question had come up regarding being able to encumber for the entire fiscal year, we have the GAO 20 Profile Form that is out on the website. We have changed the form. It is now interactive. You can email it now instead of sending a letter. Go ahead and send the form in to your liaison. A web story will go out today or tomorrow.

## **Fiscal Year End –**

Covered with budget issues above.

## **Issues, Concerns, Questions?**

### **Future Agenda Items**

**Emphasis on Electronic ACH Payments**

**Travel & Expense Management Sub-System**

**Payroll Card  
NSF & Favorable/ Unfavorable Deposits Cleanup Project  
Federal Funding Accountability and Transparency Act (FFATA)**

If you have any questions or concerns, please contact the GAO.

Meeting adjourned at 2:45 p.m.

The next meeting is scheduled for Tuesday, September 28, 2010, at 2:00 p.m. in the General Accounting Office.