

**Small & Medium Agency
Chief Financial Officers Meeting Minutes**
November 18, 2008

PARTICIPANTS:

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Amy Newby, DOA/GAO
Joanna Greenaway, DOA/GAO
Anita Kleinman, DOA/GAO
Tami Eckloff, DOA/GAO
Stu Wilbur, DOA/GAO
Jaimie Soulvie, DOA/GAO

ITEMS COVERED

Clark Partridge – Welcome & Introductions

Updated GAO Form Presentation

Amy Aeppli is currently working on updating the GAO forms to help make filling them out easier for the agencies. If anyone has any suggestions on how to make any of the GAO forms easier to use, please contact Amy at (602) 542-6248.

Amy presented to the group the GAO-503EZ travel form that will replace the existing three forms in the near future with the following new enhancements:

The GAO-503EZ was updated with the following features:

- Expandable, no longer in three separate sections for the instructions, form and continuation form.
- Print separate sections if needed.
- Interactive PDF documents (user does not need to purchase any software to use form, only download free Adobe Reader 8.0 or later to utilize all functionality of the forms)
- Automated totals calculations
- Savable-blank or filled in (can be saved partially filled in)
- Black & white GAO Seal in upper left corner
- Blue input color to easily see filled in data
- Print/Email buttons
- Drop down calendars available for all interactive dates

Internal Controls Presentation

Jaimie Soulvie gave an Internal Controls Introduction Presentation. The Internal Controls Introduction Presentation will be posted on the CFO page of the GAO Website by the first week of December.

The GAO is working on a questionnaire/survey on internal controls for State agencies to complete. The survey will be distributed in the near future. The questions are not as comprehensive as Sarbanes-Oxley requirements and may not address every aspect of internal controls. It is designed to help agencies make an internal control assessment and start the thought process to have discussions on internal controls. The questions were written to be as generic as possible and may address a specific agency's operations directly. The survey questions are not geared towards more technologically advanced agencies. There may be a separate survey distributed for agencies who accept credit cards for payment of services to help assesses internal controls for credit cards. The GAO is very conscious of the cost/benefit of the survey. The survey was designed to help balance the work load and limited resources, while fulfilling the accountability obligations of an agency. It is hoped that the survey will be an annual assessment and will become more sophisticated throughout the years. All feedback will be useful whether it is good or bad as it will represent the agency's perspective. The survey will be able to help agencies perform self assessments and spot potential problem areas before they become an issue. Agencies should make sure that their internal controls are efficient.

In the SAAM there is less than one page dedicated to internal controls, it does not present thorough coverage of internal controls. There are other sections in the SAAM that cover portions of internal controls. The GAO is working on revising the SAAM to more fully address internal controls.

In addition to the Internal Controls Presentation the GAO has created an Internal Controls Guidebook. The guidebook contains 40 pages of information on internal controls to help an agency understand, assess and apply internal controls within an agency. Eventually, there will be a policy and procedure written for internal controls. There is a technical bulletin that will be coming out addressing fraud, waste, and abuse. Another technical bulletin, soon to be released, will address related party transactions. The Code of Conduct can be utilized to help an agency on internal controls. If anyone has concerns about something that needs to be strengthened or addressed for guidance and direction they can contact Jaimie Soulvie or Amy Newby.

Those CPAs attending the meeting today will receive an hour of CPE if needed.

Upcoming CPE Training/Audio Conferences:

- December 10, 2008 at 12:00 p.m., AGA Audio Conference – “21st Century Financial Managers: A New Mix of Skills and Educational Levels” – 2 hours CPE
- January 12, 2009 from 8:00 a.m. to 12:00 p.m., Arizona Society of Certified Public Accountants – “Ethics” hosted at DEMA – required 4 hours of Arizona CPA Ethics CPE
- January 28, 2009 at 12:00 p.m., NASACT Audio Conference – “Ethics in Work and Life” – 2 hours CPE

Internal Audit Meeting with Agencies

The next Internal Audit meeting with the agencies will be held in the GAO on Tuesday, December 2nd, at 2:30 p.m. This is a follow up meeting to the meeting we had about six months ago.

U.S. Bank Payments

On November 14, 2008, a webstory was issued to remind agencies not to add their credit card number in the description field while keying claims into AFIS for U.S. Bank credit card payments. The last four digits of the card, but not the entire number, can be utilized for identification purposes.

The other purpose of the article was to remind the agencies that mail codes are to be utilized when processing payments as the central travel account (CTA or CTS), always use mail code 002 and write the account number on the face of the warrant. P-cards have separate mail codes for each agency and are under a separate managing account at U.S. Bank. This process is temporary and once the ACH is working these problems will be alleviated.

Calendar Year End Payroll Meeting

The Calendar Year End Payroll Meeting will be held on Tuesday, November 25th, in the ADOA conference room 300 at two separate times: 9:30 a.m. and 1:30 p.m. Attendees will need to register in STARS for the session they will be attending.

Q: If agency personnel cannot attend, will there be information available online?

A: Yes, the agenda and presentation will be posted on the Payroll page of the GAO website.

Payroll Date Clarifications

The first 2009 pay will not be available until Friday, January 2, 2009. The Bank of America previously has made their customers' direct deposit available on the Wednesday before payday. This will no longer happen by the end of this year. For tax purposes, if an employee has received pay before January 1st, then the pay will be taxable for the previous year. More information will be available in December.

Direct deposits will not be posted to any bank until Thursday of the pay week. At some point, all payroll will be distributed on Fridays.

In 2009 there will be 27 payrolls distributed on Thursdays. SECC deductions will not be taken until the 15th of January payroll due to the 27 paydays in 2009.

The GAO is working on a new process to mail all warrants directly to the vendors from the GAO.

Timely Payroll Warrant Pickup

The GAO is requesting that all payroll warrants be picked up within a day or two of the payday. Agencies are leaving their payroll for two pay cycles which requires the GAO to secure the warrants for two weeks. The previous payroll is stored in a separate location and may be missed when not picked up in a timely manner.

Budget

There may be a special session.

Issues, Concerns, Questions?

There were no additional questions or concerns.

Future Agenda Items

Emphasis on Electronic ACH Payments

Travel & Expense Management Sub-System

Payroll Card

NSF & Favorable/ Unfavorable Deposits Cleanup Project

Process for Single Audit Findings

Federal Transparency Act

State Transparency Project

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

Meeting adjourned at 3:32 p.m.

The next meeting is scheduled for Tuesday, January 20, 2009, at 2:00 p.m. in the General Accounting Office.