

Executive Director's Report

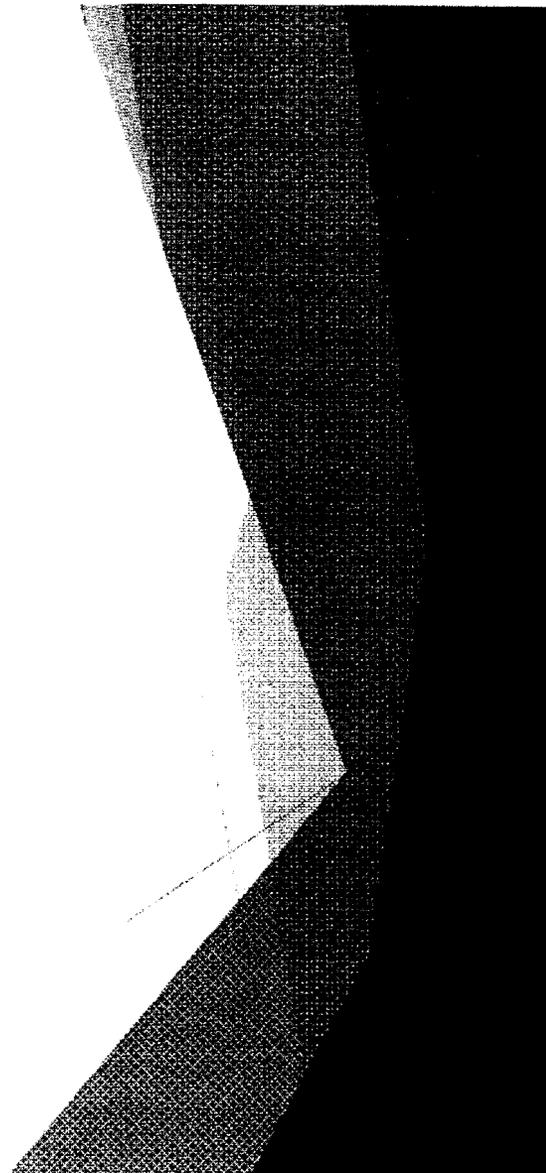
Update on Actions to Resolve Findings in the SCO's Review Report on
BOE's Internal Accounting & Administrative Controls
BOE Board Meeting - Sacramento, CA
January 26, 2016

SCO Review Report - Key Issues

Retail Sales Tax Fund (RSTF) Allocation Process

Accounts Receivable Balance

Office Revolving Fund (ORF) Administration



Update - Retail Sales Tax Fund (RSTF)

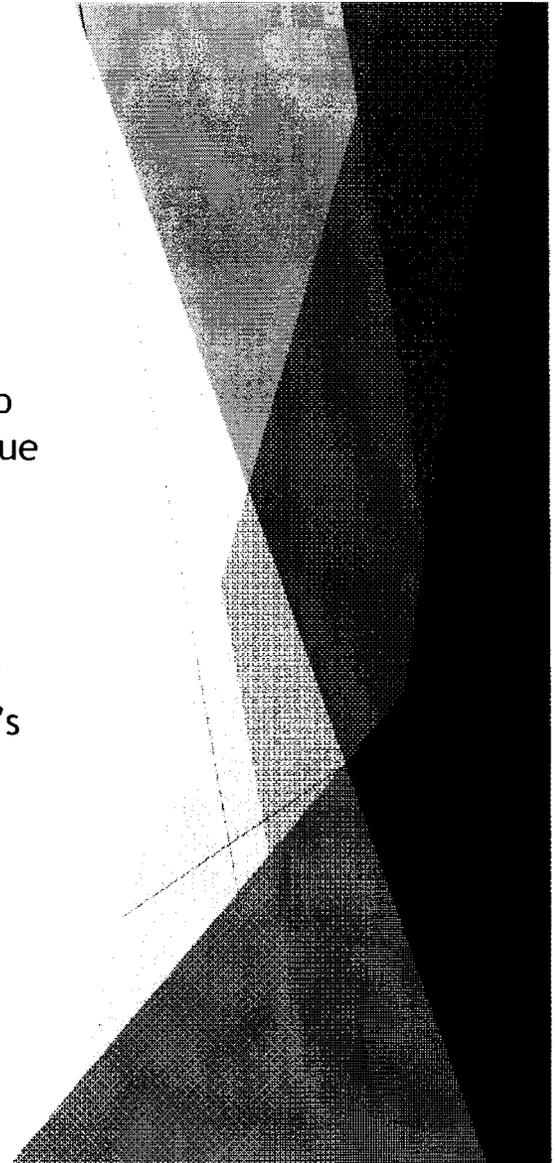
- ▶ Financial Management Division (FMD) now reviews all program changes for financial system impact.
- ▶ FMD revised data requirements for system reports used in revenue accounting reconciliations.
- ▶ Completed daily remittance advice reconciliations.
- ▶ Discontinued the inclusion of suspense items in the quarterly reconciliation process.
- ▶ Analyzed DMV and FTB use tax misallocations identified by the State Controller's Office (SCO) and prepared corrections, as warranted.
- ▶ Identified the Diesel Fuel misallocation and a correction adjustment.
- ▶ Updated procedures regarding appropriate fund adjustments (FTB, DMV, Diesel Fuel, SG, etc.) and incorporated them into the quarterly reconciliation process.
- ▶ Reconciling monthly DMV and FTB use tax collections to the corresponding quarterly report and updating revenue accounting procedures.
- ▶ Preparing a summary adjustment for all misallocations (FTB, DMV, Diesel Fuel, SG, etc.) to be validated by an independent third party prior to recording the adjustment.

Update - Office Revolving Fund (ORF)

- ▶ Created a database to track payroll and salary accounts receivable.
- ▶ Trained HR staff on usage of receivables database.
- ▶ Accounting Branch now sending all collection and overpayment notices to employees for payroll and salary account receivables.
- ▶ Changed process for scheduling claims to expedite ORF reimbursement from SCO.
- ▶ Modified database for processing the American Express Vendor accounts that are used exclusively for airfare and rental cars.
- ▶ Incorporated a weekly post-processing review by management to ensure the ORF request is permissible and is accompanied by adequate documentation.
- ▶ Updating procedures and process maps, and Delegation of Authority Letter as appropriate.

Update - Other

- ▶ Prepared a draft Statement of Work (SoW) and Request for Proposal (RFP) to solicit third party review of corrections made in response to SCO and Revenue Cycle Management Analysis (RCMA) Report findings.
- ▶ Proceeding with systematic review of remediation actions with SCO audit team
- ▶ Documentation generated from staff's methodical reviews provides another source of information for consultant to begin comprehensive review of BOE's remediation actions
- ▶ FMD staff trained on fuel tax swap statutory provisions
- ▶ Acting Chief, FMD, established regular partnership meetings with units involved in revenue process.



Contract Unit

Estimated Time to Complete a Contract by Contract Type

Type of Contract	Solicitation Method	Timeframe for completion (From the time it is logged into Contracts to Award)	Time added for Review (Office of Legal Services or Procurement Division) (when applicable)	Resulting Award Document
Competitive Bid	Informal/Formal Request for Quote or Invitation for Bid, Request for Proposal, Advertising often required	80 days	+15 days=95 days	Std 213/215 contract
CMAS	Request for Offer	45 days	+15 days=60 days	Std. 65
Exempt (no competition required)	Obtain price schedule/quote; Obtain justification for exempt status	45 days	+15 days = 60 days	Std. 65 or Std 213/215 contract
Master Agreements/ WSCA	No bids required – Obtain price schedule/contract from vendor	45 days	May require additional approvals, see user guide	Std 65 or Std 213/215 contract
Master Agreements	Request for Offer Bidding required	75 days	May require additional approvals, see user guide	Std 65 or Std 213/215 contract
Interagency Agreements	Std 213/215 contract is developed	45 – 100 days	If over \$50,000 needs DGS approval – add 15 days.	IAA's timeframe varies according to other departments internal processes
T&M Requests	BOE 860 from requestor – Fair and Reasonable	2-5 days	N/A	Not applicable Most T&Ms take 2 days
NCB Justification Document This is not a contract, but a justification when contracting with a single source is the only option. The NCB adds time to the process and therefore must be considered. The NCB must be done before the contract can be developed. 30 days.				

This timeframe assumes that the contract analyst is only working one contract at a time. It does not take into consideration delays caused by incomplete justifications, specifications, approvals, emergency workload, etc. of the reality of the analysts day to day workload. All of which can add to the time needed to complete a contract.