

SPECIAL UPDATE

OFFICE OF THE DUTCHESS COUNTY COMPTROLLER

Robin L. Lois, Comptroller



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Contact: Karl Schlegel

(845) 486-2068

comptroller@dutchessny.gov

DUTCHESS COUNTY COMPTROLLER ROBIN LOIS RESPONDS TO THE COVID-19 PANDEMIC BY IMPROVING COUNTY PROCESSES

Constructive Changes in County Government Streamline and Improve Processes While Keeping Employees Safe Amidst the COVID-19 Pandemic

Poughkeepsie, N.Y. – Dutchess County Comptroller Robin Lois today released a special update on process improvements within the County and the Comptroller’s Office in response to the unprecedented challenges presented by the COVID-19 Pandemic.

“While it has always been a priority of the Comptroller’s Office to streamline processes and reduce the reliance on paper and the redundancy of records, the identification of certain areas for improvement has been expedited as a result of the COVID-19 Pandemic. I will continue to reform accounting practices within the Comptroller’s Office and the County to modernize audit practices and payment processes.” **said Comptroller Robin Lois.** “Maximizing the use of the County’s financial management system and software to eliminate duplicate tasks, as well as eliminating costly paper processes associated with filing and handling paper are a top priority.”

It is an unprecedented time in the world, and County Government has successfully continued operations while improving processes. In addition to these reported process improvements, the Comptroller has identified several other areas for improvement that will continue to be worked on with departments and end users throughout the remainder of the year. The Comptroller, as Chief Accounting and Chief Auditing Officer, has the responsibility to carry out the promulgated duties while safeguarding taxpayer funds.

“I am proud of my staff’s focus and commitment as they continuously strive to improve the efficiency and accountability of county operations,” **Comptroller Lois concluded.**

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Attachment: Process Improvement Update Summary

Summary

Informing Dutchess County taxpayers is a priority of the Comptroller's Office. This update discusses the constructive review and improvement of work processes to further resiliency and continuity of the Comptroller's Office's operations and Dutchess County Government during the COVID-19 pandemic. The pandemic has expedited the review of processes which streamline audit and payment activities while also ensuring a safe work environment for County departments. In addition, new reforms initiated to modernize various office processes regarding payments and audits will continue to be explored and undertaken to eliminate the reliance on paper and implement more efficient methods.

Background

Primary functions of the Comptroller's Office include audit and certification processes of payroll and lawful expenses to the County as well as audits of functions and entities that are funded by the County. All functions have been performed without interruption during the COVID-19 pandemic. Innovative and streamlined processes have resulted promoting efficiency and cost savings. Future improvements are planned as additional processes are being identified and examined. Tools, such as certain software and scanning capabilities, have been available prior to the COVID-19 crisis but have not been fully utilized. The Comptroller's Office began working remotely when the PAUSE order went into effect in March 2020, and office staff have been able to perform their work from the safety of their home as they have implemented remote work and are maximizing the use of technology.

The Comptroller has identified multiple processes which could be streamlined, including processes that would no longer require manual handling and paper processing. All processes require the collaboration of other County departments to implement the changes. Efforts to implement process changes have resulted in progress in most areas reviewed.

Specific areas where improvements have been identified and will continue to be streamlined include:

- ACH / Electronic Payments to Vendors
- County Employee Payroll auditing
- Employee Allowance auditing
- Utilizing Project Accounting module

Communication and collaboration are the key to change. Through determined efforts and cooperation with the respective County departments, the Comptroller's Office has implemented process improvements and opened dialogue for future changes.

Streamlined Processes

ACH Payments to Vendors – Over the past few years, Automated Clearing House (ACH) Payments has been an important step in reducing the cumbersome process of issuing check payments to vendors. The Comptroller's Office has, in addition to several departments, continually reached out to vendors to offer the option of receiving payments electronically, rather than issuing a physical check. Some vendors have been reluctant to change this process; however, given the COVID-19 pandemic situation, many vendors may not be in their offices or do not want to risk receiving the paper copy. Streamlining this process saves time, money, and the vendor has immediate access to their money. The electronic transfer eliminates the need for the vendor to receive a physical check and then take it to the bank for deposit; it also saves the County money on postage otherwise spent to send these checks to vendors each week. The County's financial management system allows for the vendor to be set up within the system to allow for the ACH to occur each time a payment is made. Since the COVID-19 crisis, the Comptroller's Office along with County departments have been. Specifically, the Comptroller's Office sent a solicitation email to any vendor with Dutchess County that had been paid with a physical check over the last six months, and as a direct result of this solicitation an additional 60 vendors enrolled for ACH payments.

At the beginning of 2020, ACH payments accounted for only 15% of weekly payments to vendors; as of July 2020, that amount has grown to 31%. This number continues to increase as additional outreach to vendors has been initiated.

County Payroll Processing – The processing of County employee payroll is a very time-consuming process for both the departments and for the Comptroller’s Office to audit. There are many steps, depending on the department, required to process bi-weekly payroll. This is due to the varying information needed for each department’s accounting of personnel costs. The Comptroller’s Office spends approximately four days of the biweekly process to audit the information provided to the Department of Finance by the individual departments. While the County utilizes two software modules / systems to capture the majority of information electronically, the process relied on physical printouts of each department’s payroll, as well as any information which affects the weekly payroll including departures, leaves of absence, retirements and new hire information. The Finance Department’s Payroll Division is responsible for receiving the payroll from each department and would print out the submissions for review of the hours. These printouts were physically brought over to the Comptroller’s Office for review, and any additional changes and corrections were noted by the auditors before being carried back to the Department of Finance for Payroll to address and correct as warranted. This process was in place until the COVID-19 situation forced most employees to work from home.

To ensure the safety of staff, a joint process review was initiated by the Comptroller’s Office and the Finance Department to have reports and related documentation scanned in and electronically reviewed. Using real-time collaboration software, data and reports are shared between the departments electronically rather than sending paper back-and-forth. While this process continues to be refined, it represents a significant step forward in streamlining data review.

Employee Allowances – The Comptroller’s Office receives for audit bi-weekly requests for payments related to reimbursable expenses for County employees; these requests are made monthly for County Legislators. These reimbursable expenses may be taxable or non-taxable based on IRS guidelines. Allowable expenses include employee mileage, tuition reimbursement, meal/uniform/tool allowances, and travel-related expenses. Guidelines are set in the County’s Travel Policy, employee bargaining unit agreements, and management/confidential policies.

A joint process review was initiated by the Comptroller’s Office and Departments to have reports and related documentation scanned in and electronically reviewed. These reports are now handled like other invoices submitted to our office.

Project Accounting Module - The Project Accounting Module within the County’s Financial Management System provides expense and revenue tracking and budgeting for specific projects. Tracking for expenses and revenues occurs at the point of entry for transactions such as purchase orders, accounts payable invoices, journal entries, miscellaneous billings, and revenue collection receipts. The Comptroller has recommended in several audits and other communications the use of Project Accounting for various departments; this would enable a more efficient and streamlined accounting process for tracking expenses and revenues. Historically, this type of expense tracking was done using Excel spreadsheets which increased the likelihood of errors and omissions.

The County Administration has begun to focus on implementing the use of Project Accounting as recommended by the Comptroller for the Office of the Aging, Public Defender’s Office, and Department of Public Works. Our Office has worked with the Department of Finance to make the appropriate changes in processes and policy to accommodate the required corrections of past transactions and forward input. We believe this shift in processing will help users be more efficient and make timely reporting more accurate.