UDOT Accounting Review

Introduction and Audit Scope

The Comptroller’s office governs all accounting activities for UDOT; however, each region has independent accounting groups. Due to the differences of each region’s accounting group, our audit identified several opportunities to streamline processes, improve coordination, and strengthen general accounting efficiencies throughout UDOT. Our review found six areas of satisfactory performance and nine observations and recommendations.

Satisfactory Performance Areas

1. Regions Meet FIACCT 05.02.00 for Payment Approvals
   The region accounting personnel generally comply with the requirements of FIACCT 05.02.00 which requires accurate payment verification by review of support documentation, vendor information, and confirmation delivery of goods and services.

2. Payroll Coordination with the Regions is Well Managed
   The payroll coordinator does an exceptional job coordinating with four regions and three different payroll systems to verify payroll per FIACCT 11-17.01.

3. Contract Specialists Provides Additional Expertise for Complex Purchases
   Contract specialists provide needed technical expertise to the regions for complex purchases. They coordinate with region employees to ensure purchases are appropriate and compliant to applicable laws and contract requirements.

4. Region One Excels in Collecting Damage Claims
   Region One has one of the lowest number of outstanding damage claim receivables. The region provides assistance and training to other regions to improve their damage claim collection efforts.

5. Electronic Signature Process Reduces Wait Times for Approvals
   Region Four developed an electronic signature form through Adobe Sign™ to reduce approval times and to promote paperless approval processing.

6. Procedural Manuals Clarifies Roles and Expectations
   Region Four drafted a procedural manual to detail roles and responsibilities of the region’s support staff. The guide is supplemental to UDOT policies, State Finance policies, and State rules and statutes to help clarify roles and expectations of accounting and non-accounting personnel.

Recommendations and Observations

1. ASM Support Opportunities for Region Financial Activities
   Two out of four regions expressed the need for additional support. UDOT requires the Comptroller’s Office to oversee general governance of all accounting activities for the agency while region directors oversee the daily financial operations for their region. UDOT may explore opportunities to increase ASM support to properly oversee and monitor the financial activities for their regions.
2. **Damage Claims Could Use Greater Consistency and Expectations**
   a) The Comptroller’s Office and regions should agree on consistent standards for installment plans, initiating write offs, and escalation procedures for uncollectable damage claims.
   b) Accounting technicians make decisions beyond their job description when they create receivables for a damage claim and when they initiate write offs.
   c) System generated statements from State Finance provides insufficient information for the regions to adequately review outstanding account receivables.

3. **Region Practices Not Aligned with UDOT 02A-04**
   The current practice of entering object codes for P-Card purchases does not comply with UDOT 02A - 04. UDOT should adjust the policy to reflect the current reconciliation process that is contrary to the policy.

4. **Post SAP Adjustments Do Not Meet a Requirement of FIACCT 11-20.00**
   Two out of four regions do not complete paper timesheets for manual adjustment in Employee Self-Service (ESS) as required by FIACCT 11-20.00. UDOT may consider requiring paper timesheets for manual entries to all of UDOT’s time entry systems.

5. **Small Purchase Restrictions for New Purchasers and Repeat Offenders**
   Regions may consider pre-approving purchases for new purchasers and employees who violate state purchasing requirements until region management determines they can comply with state statutes, rules, and UDOT policies on their own.

6. **Maintenance Analysts Approve Purchases**
   UDOT should determine the appropriateness of allowing maintenance analysts to approve purchases and implement such standard throughout UDOT.

7. **Invoice Requests Cause Potential Duplication of Payment**
   Region accounting personnel may process duplicate payments when they receive invoices from region employees and from vendors. Regions should control the flow of invoices to ensure they do not inadvertently make multiple payments from duplicate invoices.

8. **Potential Risk with Signature Stamps**
   Two out the four regions use signature stamps to approve purchases. Although UDOT does not restrict the use of signature stamps, there is potential risk of abuse if an unauthorized person makes an inappropriate or unauthorized purchase.

9. **Addressing the Use of Maintenance Activity Code 7M91**
   Charges to activity code 7M91 are not considered for annual maintenance budgets. Regions should consider reviewing charges against the activity code to reduce impacts against future budget forecasts and to ensure charges are coded properly.