I. **Expected Outcome**: Improve accuracy of e-journal submissions

The E-journal system is a financial application for electronic processing and approval of financial transactions that provides for efficiency and accuracy with the elimination of double data entry requirements. One expected outcome is to reduce the number of errors in the e-journal submissions (returned vouchers) by ensuring financial users on campus are properly trained on the e-journal system.

**Method**: Analysis of users and reasons for returned e-journal documents

During the Controller’s office’s document review and errors are identified, the voucher must be “returned for revision” to the creator. At month-end, the Controller’s Office evaluates e-journal document returns and, by providing additional training, will reduce incorrect submissions of e-journal documents.

On a monthly basis, the Controller’s office analyzes the percentage of returned documents to total transactions submitted as well as identifies individuals with more than five returns in the particular month. The Controller’s office will utilize this information to target training to individual users to improve accuracy of submissions.

**Findings**:

The Controller’s Office began implementing the e-journal system campus-wide in April 2012. Statistics for April-September 2012 are as follows:

- **April**: 10% returns with six individual users receiving more than 5 returns
- **May**: 13% returns with seven individual users receiving more than 5 returns
- **June**: 15% returns with 13 individual users receiving more than 5 returns
- **July**: 16% returns with 22 individual users receiving more than 5 returns
- **August**: 15% returns with 22 individual users receiving more than 5 returns
- **September**: 14% returns with 28 individual users receiving more than 5 returns

The Controller’s office provides one-on-one assistance through the comment section of the e-journal system for all submissions “returned for revision” at the time they are returned.

The following topics were identified as trouble areas: requesting e-journal access, system navigation, supporting documentation guidelines, loading e-journal vouchers from spreadsheets, searching prior e-journal vouchers, submitting DECs for Contract and Grants Accounting,

**How did you use findings for improvement?**

Based on the statistics provided, the Controller’s office began offering training classes on a quarterly basis to address specific issues identified as causing the returns. Training was provided on February 28, 2013 to address these items. At the request of Development, a
special e-journal training class was held April 9, 2013. Additional training sessions will be offered throughout the year. During fiscal year 2013 we have seen a decrease in the number of individuals who have had more than five documents returned in a month. Therefore, we believe the one-on-one feedback has been successful in reducing the number of errors. The overall effectiveness of additional training is being monitored and assessed by surveys and continued tracking of rejections.

II. Expected Outcome: Produce the university’s Comprehensive Annual Financial Report

Prepare the university’s Comprehensive Annual Financial Report without audit entries or management letter comments identified.

Method:

All financial balances and transactions of the university are subject to audit based on auditing standards generally accepted in the United States of America, which require the auditors plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

One of the primary responsibilities of the Controller’s office is to provide oversight of the recording of all financial transactions in accordance with Governmental Accounting Standards. After auditing the university’s financial statements as of September 30, 2012, and for the year then ended, the international accounting firm and external auditors, PricewaterhouseCoopers, LLP, provides any material misstatements or other adjustments that come to light.

Findings:

During the fiscal year 2012 audit, the auditors identified no material misstatements and proposed two immaterial audit entries with no management letter comments identified. The first entry was to reclass credit balances in “Student receivables” to “Deposits held in custody.” The total dollar amount of that entry was $1.98M. The second entry was to correct a booked entry reclassing the payable balance from “Expendable capital projects” net assets to “Invested in capital assets, net of related debt” net assets. The total amount of this entry was $360K. We transposed a figure when adding the supporting documentation, so the original entry was for an incorrect total.

How did you use findings for improvement?

The Controller’s Office booked both entries identified and have added a review of the receivable account that generated one of the entries to our year-end processes. The other entry was the result of miscalculating the total on the supporting documentation of an entry. This was due to human error. We will include procedures to recalculate subtotals in our review process.
III. **Expected Outcome:** Journal entry process will be efficient

Investigate means to improve the journal entry process.

**Method:**

Conduct discussions within the department as well as specific units to obtain recommendations for improving the journal entry process. Units verbally polled included Contracts and Grants Accounting, Athletics, Alabama Agriculture Experiment Station, Alabama Cooperative Extension System, Development Accounting, Facilities, and Information System Support. The discussions included approximately 25 people. Specific individuals who participated in the discussions included six individuals from Financial Reporting, two from Contract and Grants Accounting, three from Athletics, one each from Alabama Agricultural Experiment Station and Alabama Cooperative Extension Service, four from Development Accounting, and three each from Facilities and Information System Support as well as members of the Banner Finance Functional Committee.

**Findings:**

Verbal responses indicated support for a change in process. The users had been using a process called FUPLOAD. This process provided a way to directly load excel spreadsheets as journal entries into Banner Finance. Based on our discussions, Information System Support described a way to utilize that process through a front-end self-service banner application. We discussed how this would cut down on lag time between mailing journal entries to the Controller’s Office, eliminate the double keying of entries (once when the user typed the entry up and once when it was keyed into Banner). We discussed the quick turn around that would occur if a document needed revision. We estimated at least a two to three day increase in efficiency, based on time it would take to mail the manual form back and then waiting to receive the correction back from the department.

**How did you use findings for improvement?**

The Controller’s Office worked with Information System Support to modify an existing process that allowed for direct input into the Banner Finance System. The revised process allows end-users access through Self-Service Banner. The process incorporates approval queues and imports the supporting documentation directly into the University’s imaging system. The e-journal application has eliminated double key entry and reduced the time to process the transactions into Banner by a minimum of one day. If errors are noted, we estimate the time reduction could be up to three days. Time savings also occur because the documents do not have to be separately scanned into the university’s image system. We estimate this is a savings of approximately 30 minutes a day, just relating to the scanning process. Additional time savings occurs because the supporting documentation is available to all users, which eliminates the need for storage and retrieval by the Controller’s office.
IV. **Expected Outcome:** Provide timely financial data to bond rating agencies

Provide timely financial data such as debt ratios, revenue, expenditure and student data to the bond rating agencies so the university can issue tax-exempt bonds, if the need arises.

**Method** Pre-established timelines for providing financial data and review of documents are set in working with investment bankers and bond rating agencies. Performance of the Controller’s office in meeting timelines is monitored to ensure there are no delays that would impact the timing of the sale of bonds.

**Findings:**

The Controller’s Office provided a revised Preliminary Official Statement (POS), revenue and expenditure analysis, debt schedules and debt ratios as outlined in the timeline. The initial discussions began January 27, 2012. The Moody’s questionnaire was returned February 1, 2012. The S&P request was received February 10, 2012 and was returned February 16, 2012. AU received the ratings February 20, 2012. The information was provided to the bond rating agencies in a timely manner, resulting in bond ratings provided for sale of 2012A and 2012B bond issues maximizing favorable market conditions. The 2012A and 2012B bonds were issued March 27, 2012.

**How did you use findings for improvement?**

N/A