Division of Administrative & Financial Services
Proposal for Correction of Fiscal Management Deficiencies

Submitted to:
Dr. James Ammons, President

Submitted by:
Teresa Hardee, CPA, MPA
Interim CFO & Vice President for Administrative and Financial Services
Statement of Need

The Division of Administrative and Financial Services has an immediate need to correct noted deficiencies as outlined in the Auditor General’s audit findings for fiscal year 2004-05 in its financial accounting and reporting practices. The continued irregularities noted from several audits impede the University’s ability to produce accurate, reliable and auditable financial information. This fact facilitated the qualified opinion rendered by the State’s Auditor General for last year’s financial statements. Additionally, the University has now been placed on probation by the SACS for non-compliance with 10 core requirements and standards, most of them related to inadequate financial accounting and reporting.

Statement of Purpose

This proposal seeks to provide a framework for addressing the noted deficiencies and to improve the foundation upon which accounting functions are performed from hence forward. The actions described herein will correct inaccuracies from previous fiscal years; improve current accounting business processes and institutionalize sound accounting practices through the development of comprehensive procedures and the implementation of mandatory staff training programs.

Objectives

1. Reconcile G/L fiscal year 2004-05 through current fiscal year 2006-07.
2. Identify critical systems configuration errors, correct them and adjust the financial statements to reflect accurate mapping.
3. Generate financial statements with supporting documentation for fiscal year 2006-07 and submit them by the September 17, 2007 deadline.
**Methodology**

This proposal entails the development of a team which will be given specific tasks to accomplish. The tasks will overlap and create opportunities for greater collaboration. The team of professionals selected to perform the tasks are seasoned accountants with more than 200 years of collective accounting expertise. The team members will be utilized interchangeably as these tasks are integrated. However, one member of the team will be given responsibility for management of the task to ensure the most efficient and effective utilization of resources and goal attainment. The team will have responsibility for performing the following tasks:

**Task 1**  
Reconcile the general ledger from the first year of conversion to PeopleSoft to the present. This will provide assurance that the financial records reflect accurate information from this point forward.

**Task 2**  
Correct current mapping discrepancies and other systems irregularities. This will correct the chart of accounts to ensure transactions are being recorded in accordance with generally accepted accounting principles.

**Task 3**  
Prepare financial statements for fiscal year 2006-07. The financial statements for the 2006-07 fiscal year are due by September 17, 2007.
The Team Members

Each team member brings knowledge in every aspect needed to enact this plan. They are as follows:

**Teresa Hardee**, Interim CFO & VP for Administrative and Financial Services: Teresa has over 16 years of experience in accounting and auditing. She is a licensed CPA.

**Team Leader:**

**Donna Nichols**
Ms. Nichols is currently an independent consultant with more than 30 years of University accounting experience. Most notably, she was the creator of the automated financial statement reporting system which is utilized by the universities in the SUS to generate annual statements.

1. **Roosevelt Brooks**
   Mr. Brooks is a Coordinator of Accounting for Contracts & Grants Accounting and a CPA who is currently performing the same proposed reconciliation process for more than 1,000 expired grants. He has more than 25 years of accounting experience.

2. **Kiara Diggs**
   Ms. Diggs is currently a Coordinator, Accounting in the Division of Research. She previously held responsibility for reconciliation of the general ledger as Coordinator, Accounting in the Controller’s Office. She was also instrumental in the development of the 2005-06 financial statements and has extensive knowledge of the automated financial statement system which is used to produce the financial statements.

3. **Jacqueline Dowdy**
   Ms. Dowdy was previously an Accountant for University Budgeting. She has more than 18 years of experience in financial management, accounting, and consulting.
4. **Sterling Graham**  
Mr. Graham is currently the Assistant Controller for Financial Reporting. He has over 20 years of experience in financial reporting and cash management.

5. **Freddie Hall**  
Mr. Hall is currently the Assistant Controller for General Accounting. He has responsibility for general ledger reconciliation and financial statement preparation. He has more than 20 years of financial management experience.

6. **Keisha Jackson**  
Ms. Jackson is currently a Coordinator, Accounting in the Controller’s Office. She has responsibility for reconciling the general ledger. She has over 10 years of accounting experience.

7. **Ronica Mathis**  
Ms. Mathis is currently a PeopleSoft consultant for Borders Consulting. She was previously the financial team lead for the University’s PeopleSoft implementation. She has gained extensive knowledge in the configuration and use of the financial module. She will join the University staff in a permanent position as Executive Assistant to the CFO in November 2007.

8. **Rhonda Reed**  
Ms. Reed is the current Associate Controller who has responsibility for General Accounting, Property Management and Financial Reporting. She has more than 20 years experience in accounting and financial management.

9. **Leslie Sabin**  
Ms. Sabin is the current University Controller. She is a CPA with more than 18 years of experience.

10. **Vinod Sharma**  
Mr. Sharma was the previous University Controller and has more than 30 years of experience.

11. **Marie Shetty**  
Ms. Shetty was the previous Associate Controller and has more than 25 years of experience. As Associate Controller, she held responsibility for generation of the University’s financial statements.

12. **Leroy Summers**  
Mr. Summers is currently serving as EIT Liaison for the Division. He has over 20 years of financial management experience.
13. **Annarene Wineglass**

Ms. Wineglass is currently the Associate Controller for Student Financial Services but previously served as EIT systems administrator. She has extensive PeopleSoft knowledge and skills. She has more than 20 years of experience.
EIT Staff

a. **Matthew Gaines**
   Mr. Gaines has extensive systems knowledge. He was a part of the original implementation team and has more than 25 years of experience with information technology systems.

b. **Jackie Hurchins**
   Ms. Hurchins was previously the Associate Controller for Student Accounts until her appointment with EIT. She has more than 25 years of experience in Student Accounting and has extensive knowledge of the PeopleSoft Student Administration module.

c. **Rose Price**
   Ms. Price has extensive experience in budgeting and general ledger maintenance. She was instrumental in the configuration and implementation of the current system. She has more than 25 years of experience in University Budgeting.

d. **Veronica Stokes**
   Ms. Stokes was previously the Assistant Controller for Vendor Payments prior to her current assignment at EIT. She has more than 20 years of accounting and financial management experience.
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<thead>
<tr>
<th>Task</th>
<th>Responsibility</th>
<th>Target Date/Completion Date</th>
<th>% Completed</th>
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<tbody>
<tr>
<td>1. Prepare corrective action plan and obtain approval</td>
<td>Vice President</td>
<td>July 16, 2007</td>
<td>100%</td>
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<td>2. Prepare personnel action forms to enact staff hiring and reassignments. Generate contracts for consultants.</td>
<td>Vice President HR Purchasing Legal</td>
<td>July 23, 2007</td>
<td>100%</td>
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<td>3. Identify and obtain appropriate space and equipment to accommodate teams</td>
<td>Vice President</td>
<td>July 16, 2007</td>
<td>100%</td>
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<td>4. Develop detailed project plan for Team assignments</td>
<td></td>
<td>August 3, 2007</td>
<td>100%</td>
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<td>5. Hold transition meeting with teams to outline responsibilities and specific assignments</td>
<td>Vice President</td>
<td>July 31, 2007</td>
<td>100%</td>
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<td>6. Ensure teams have access to PeopleSoft as needed</td>
<td>Vice President EIT</td>
<td>August 6, 2007</td>
<td>100%</td>
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<td>7. Completion of Phase 1 of the review Peoplesoft mapping (Task 2)</td>
<td>Special Project Team</td>
<td>August 17, 2007</td>
<td>100%</td>
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<td>• Account to Alternate Account</td>
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<td></td>
<td>Department ID to Fund</td>
<td>Department ID to Program</td>
<td>Fund to External Fund</td>
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| 8. | Completion of Phase 1 of the financial statement preparation (Task 3)  
- Correction of (AFS) editing errors in preparation of financial statements  
- Reconciliation of beginning net assets  
- Balances of Internal Transactions (Transfers and Due To’s/From’s)  
- Audit Adjustments for FY 06-07 | Special Project Team | August 17, 2007 | 100% |
| 9. | Completion of Phase 1 of the Reconciliation of the General Ledger (Task 1):  
- Cash  
- Investments  
- Capital Assets (including depreciation, Construction in Progress, | Special Project Team | August 27, 2007 | 100% - Investment 80% - Remaining |
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<tr>
<th>Task</th>
<th>Description</th>
<th>Responsible Party</th>
<th>Completion Date</th>
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| 10. | Completion of Phase 2 of the financial statement preparation (Task 3)  
  - Accrual Entries  
  - Correcting Entries  
  - Component Unit Entries | Special Project Team | September 4, 2007 |
| 12. | Submit financial statements (Team Task 3) to Vice President for review  
  - Statement of Net Assets  
  - Statement of Revenues, Expenses and Changes in Net Assets  
  - Statement of Cash Flows  
  - Notes  
  - Management Discussion and Analysis | CFO | September 10, 2007 |
<p>| 13. | Submit financial statements (Task 3) to Board of Governors | CFO | September 17, 2007 |</p>
<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Team</th>
<th>Status</th>
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<tr>
<td>14.</td>
<td>Completion of Phase 2 of the Reconciliation of the General Ledger (Task 1): GL to Submodules</td>
<td>Special Project Team</td>
<td>On-going</td>
<td>On-going</td>
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<td>15.</td>
<td>Completion of Phase 2 of the mapping (Team Task 2) Item Types System Configuration</td>
<td>Revised Special Team</td>
<td>As identified</td>
<td>On-going</td>
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