

<b>Process name:</b>	<b>Administration of master data</b>
<b>Process ID:</b>	<b>UU.1</b>
<b>Main process name:</b>	Accounting
<b>Goal/purpose:</b>	To maintain key accounting parameters by authorised persons
<b>Comments/assumptions:</b>	
<b>Critical success factors:</b>	1. Ability to transform legislative requirements into system parameters 2. System functionality to ensure logical access control to the master data
<b>Key performance indicators:</b>	Time needed to perform changes

### Subprocesses

ID	Subprocess name	Precondition	Result	Coverage by ISs
UU.1.1	Chart of accounts administration	Need to change the chart of accounts	Amended chart of accounts	SAP R/3 FI
UU.1.2	Administration of suppliers and customers	Need to change master data of suppliers / customers	Changed master data of suppliers / customers	SAP R/3 FI
UU.1.3	Administration of report templates	1. Change in statutory reports 2. New internal information need	Amended report templates	SAP R/3 FI

<b>Subprocess name:</b>	<b>Chart of accounts administration</b>
<b>Subprocess ID:</b>	<b>UU.1.1</b>
<b>Subprocess of:</b>	<b>Administration of master data</b>

<b>Owner :</b>	Accountant requesting a change in master data
<b>Goal/purpose:</b>	To maintain chart of account compliant with legislation requirements and corresponding to internal needs
<b>Comments/assumptions:</b>	
<b>Description:</b>	A new analytical account is created if the existing budgetary classification ("RK") is insufficient. There is a specialised worker to do this, with corresponding access rights. The same access rights have 2 additional backup users. One of them is the informal accounting head. The new account should be consulted with this worker, who also acts as a methodologist.
<b>Critical success factors:</b>	1. Ability to follow legislation changes 2. Ability to correctly incorporate the legislation changes into the system by changing master data 3. Ability to identify new internal information needs 4. Ability to satisfy the identified internal information needs by changing master data
<b>Key performance Indicators:</b>	Time to process a change
<b>Frequency/volume:</b>	On as needed basis
<b>Improvement opportunities:</b>	None identified

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Informing the informal accounting head	Informing is not formalised	Need for change identified	informal accounting head informed about the need for change	1. Legislation change 2. New internal information need	Information for informal accounting head	The accountant requesting the change	outside IS
2	Decision by informal accounting head	Informal accounting head approves the changes	Informal accounting head informed about the need for change	Informal accounting head has decided about the change	Information for informal accounting head	Consent of informal accounting head	Informal accounting head	outside
3	Informing the accountant		Informal accounting head decided about the change	Accountant informed about the consent	Consent of informal accounting head	Information on consent (not formalised)	Informal accounting head	outside
4	Request on specialised accountant	The change in the system will be realized by the specialised accountant	Accountant informed about the consent	Specialised accountant informed about the request	Information on consent (not formalised)	Request for change	Requesting accountant	outside

**Process:** UU.1.1 Administration of master data

**Main process:** Administration of master data

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
5	Change realization		Specialised accountant informed about the request	Change realized	Request for change	Change in chart of accounts	specialised accountant	SAP R/3 FI
6	Informing the requesting accountant		Change realized	Requesting accountant informed about the change	Change in chart of accounts	Information on completion the change (not formalised)	Specialised accountant	SAP R/3 FI

<b>Subprocess name:</b>	<b>Administration of suppliers and customers</b>
<b>Subprocess ID:</b>	<b>UU.1.2</b>
<b>Subprocess of:</b>	<b>Administration of master data</b>

<b>Owner :</b>	Accountant requesting a change in master data
<b>Goal/purpose:</b>	To maintain the database of suppliers and customers, to prevent redundant records for the same entity
<b>Comments/assumptions:</b>	
<b>Description:</b>	New entity or changes are performed by the specialised accountant. Approval by the accounting head is not needed.
<b>Critical success factors:</b>	Prompt information exchange between requesting and specialised accountants
<b>Key performance Indicators:</b>	Time to process a change
<b>Frequency/volume:</b>	On as needed basis
<b>Improvement opportunities:</b>	None identified

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Request on the specialised accountant	The change in the system will be realized by the specialised accountant	Need for change identified	Specialised accountant informed about the request	Need for change	Request for change (not formalised)	Requesting accountant	outside IS
2	Change realization		Specialised accountant informed about the request	Change realized	Request for change	Change in master data of suppliers/ customers	Specialised accountant	SAP R/3 FI
3	Informing the requesting accountant		Change realized	Accountant informed about change	Change in master data of suppliers/ customers	Information on completion the change (not formalised)	Specialised accountant	SAP R/3 FI

<b>Subprocess name:</b>	<b>Administration of report templates</b>
<b>Subprocess ID:</b>	<b>UU.1.3</b>
<b>Subprocess of:</b>	<b>Administration of master data</b>

<b>Owner :</b>	Accountant requesting the report template change
<b>Goal/purpose:</b>	To maintain the report templates so that they provide accounting outputs complying with legislation requirements and supporting internal needs
<b>Comments/assumptions:</b>	
<b>Description:</b>	The report template changes are provided by the IS vendor on the basis of the MF SR order issued by Division of Integrated Support. The IS vendor is responsible for testing and installing the amended template. The Independent Accounting Dept. needs to cooperate in defining the information requirements and subsequent testing. Due to the fact that substantial part of the process is carried out outside the MF SR, the process has not been elaborated into the level of activities.
<b>Critical success factors:</b>	1. Documented gathering of requests for report template changes 2. Ability to prioritise needs for report template changes
<b>Key performance Indicators:</b>	Time to process changes
<b>Frequency/volume:</b>	Changes are rare
<b>Improvement opportunities:</b>	Not identified

<b>Process name:</b>	<b>Performing accounting entry</b>
<b>Process ID:</b>	<b>UU.2</b>
<b>Main process name:</b>	<b>Accounting</b>

<b>Goal/purpose:</b>	To record accounting transaction on the basis of reliable underlying information
<b>Comments/assumptions:</b>	The accounting entry is performed by 4 financial accountants, 2 payroll accountants or by informal chief accountant.
<b>Critical success factors:</b>	1. Availability of properly customised accounting system 2. Availability of underlying information
<b>Key performance indicators:</b>	1. Time needed to perform changes 2. Number of errors detected during processing and during periodic controls

#### Subprocesses

ID	Subprocess name	Precondition	Result	Coverage by ISs
UU.2.1	Recording purchase invoice on the basis of purchase order	Need for purchase arose	Cost has been recorded and paid	SAP R/3 FI, MM, budgetary module
UU.2.2	Recording petty cash expenditure	The recipient submitted approved expenditure request	Payment recorded	SAP R/3 FI
UU.2.3	Recording expense processed in an integrated module of the IS	Expense processed in an integrated module of the IS	Expense recorded	SAP R/3
UU.2.4	Recording additions / disposals of fixed assets	Addition / disposal of fixed assets occurred	Addition / disposal of fixed assets recorded	SAP R/3 FI-AA

<b>Subprocess name:</b>	<b>Recording purchase invoice on the basis of purchase order</b>
<b>Subprocess ID:</b>	<b>UU.2.1</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Responsible financial accountant
<b>Goal/purpose:</b>	Recording purchase invoice on the basis of approved purchase order
<b>Comments/assumptions:</b>	
<b>Description:</b>	A purchase order is approved in the MM module, for the purpose of reserving budgetary funding, even for departments having no access to the IS. Reserving is done in the budgetary module (i.e. "obligo" of purchase orders). If advance payment is provided, budgetary classification needs to be applied as well. Invoice receipt is registered in the system, this serves as an electronic purchase invoice log. Recording occurs after approval, if sufficient budgetary funding is available (see improvement opportunities). The paid advance needs to be reversed and expense recorded in the full amount. This is followed by invoice approval (i.e. "obligo" of invoices), recording, payment and recording of payment.
<b>Critical success factors:</b>	Prompt and documented information exchange between involved persons
<b>Key performance Indicators:</b>	Time needed to record an invoice
<b>Frequency/volume:</b>	The recording is on the flow-through basis after invoice receipt.
<b>Improvement opportunities:</b>	<ol style="list-style-type: none"> <li>1 Budgetary approval of invoice (activity 9). During budgetary approval of invoice, a budgetary classification code is assigned. This code is identical with the code for purchase order per activity 2. Availability of budgetary funding is checked, however, this availability has already been provided for by reserving funds to the purchase order. From these reasons, we consider this activity for redundant. We recommend to carry out the budgetary check already for the purchase order and, where the purchase invoice agrees to purchase order, not to repeat the check. We consider this opportunity for a quick win.</li> <li>2 The invoice payment is recorded on the basis of printed bank statement. The bank statement includes unique payment identification and it can be matched to relevant payment order automatically. From this point of view, we consider the activity of printing the bank statement for redundant.</li> </ol>

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Creating purchase order	Purchase order is created for the purpose of reserving budgetary funding	Need for purchase arose	Purchase order created	Need for purchase	Purchase order	Accountant	MM, budgetary module
2	Budgetary check of purchase order	Budgetary clerk gives standpoint to availability of budgetary funding and indicates the budgetary classification	Purchase order created	Budgetary check of order completed	Purchase order	Purchase order (checked)	Budgetary clerk	budgetary module

**Process:** UU.2.1 Performing accounting entry

**Main process:** Performing accounting entry

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
3	Purchase order approval	Purchase order is approved in the IS	Budgetary check of order completed	Purchase order approved	Purchase order (checked)	Purchase order (approved)	chief accountant	MM
4			Will advance payment be given?	Either: yes (activity 5) or: no (activity 7)				
5	Payment of advance	Payment of advance represents actual use of budgetary funding. Approval of payment order is outside the system and it is not modelled in detail.	Advance is to be paid	Advance paid	Purchase order (approved)	Advance (paid)	Accountant	FI
6	Recording the advance payment	The advance payment is recoded according to the budgetary classification	Advance paid	Advance recorded	Advance (paid)	Advance (recorded)	Accountant	FI, budgetary module
7	Registering the purchase invoice	Registering in the system is without posting, i.e. it serves as a purchase order log	Invoice received and: either: advance recorded (activity 6) or: advance not given (activity 4)	Invoice registered	Invoice	Invoice (registered)	Accountant	FI
8	Purchase invoice contents approval	Purchase invoice is approved contents-wise at responsible division which the order was issued for.	Invoice registered	Invoice contents approved	Invoice (registered)	Invoice (contents approved)	Accountant	outside IS
9	Budgetary control of purchase order	The invoice is assigned a budgetary classification code. This code is identical with the code for purchase order per activity 2. Availability of budgetary funding is checked, however, this availability has already been provided for by reserving funds to the purchase order. From these reasons, we consider this activity for redundant. See improvement opportunity 1.	Invoice contents approved	Invoice budgetary approved	Invoice (contents approved)	Invoice (budgetary approved)	Budgetary clerk	budgetary module
10	Payment approval by Division Head		Invoice budgetary approved	Invoice approved	Invoice (budgetary approved)	Invoice (approved)	Division Head	outside IS
11			Advance paid?	Either: yes (activity 12) or: no (activity 13)				



Process: UU.2.1 Performing accounting entry

Main process: Performing accounting entry

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
12	Reversing the advance payment	The advance payment used part of reserved budgetary funding but the accounting expense was not incurred. After approving the invoice, it is necessary to record the expense in the full amount. Due to connection of the accounting system with ISŠP, it is necessary to reverse the advance payment and to record the expense in the full amount. We recommend to seek a system solution enabling to match the advance payments with final invoices in a more simple way than it is now.	Advance paid	Advance reversed	Advance (recorded)	Advance (reversed)	Accountant	FI, budgetary module
13	Recording invoice		Either: advance reversed (activity 12), or: advance not paid (activity 11)	Invoice recorded	Invoice (budgetary approved)	Invoice (recorded)	Accountant	FI, budgetary module
14	Invoice payment	Approval of payment order is outside the system and it is not modelled in detail.	Invoice recorded	Invoice paid	Invoice (recorded)	Invoice (paid)	Accountant	FI
15	Printing bank statement	See improvement opportunities 2	1. Invoice paid, and 2. Payment processed in ISŠP	Bank statement printed	Bank statement (electronic)	Bank statement (paper)	Accountant	FI
16	Recording payment	See improvement opportunities 2	Bank statement printed	Payment recorded	Bank statement (paper)	Payment (recorded)	Accountant	FI

<b>Subprocess name:</b>	<b>Recording petty cash expenditure</b>
<b>Subprocess ID:</b>	<b>UU.2.2</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner:</b>	Responsible financial accountant
<b>Goal/purpose:</b>	Recording petty cash expenditure as an expense and actual use of budget
<b>Comments/assumptions:</b>	In the most cases these are travel costs
<b>Description:</b>	Due to personnel capabilities of the Division, petty cash is not administered by cashiers reliably recognising budgetary expenditures immediately in the moment of issuing a cash expenditure slip. As a result, cashiers record the expenditures on technical accounts wherefrom they are reallocated by a knowledgeable accountant. See improvement opportunity.
<b>Critical success factors:</b>	Prompt and documented information exchange between involved persons
<b>Key performance Indicators:</b>	Time needed to record the expenditure
<b>Frequency/volume:</b>	The entries are done on flow-through basis as requests for reimbursement of cash expenditures are submitted.
<b>Improvement opportunities:</b>	<p>It is a result of budgetary control of requests for petty cash expenditure to produce a standpoint of budgetary clerk as to whether budgetary funding is available for this expenditure. However, the output information from the budgetary control does not include the RK code relating to the expenditure. Indicating relevant RK codes does not present any further work for the responsible budgetary clerk since he/she has already determined it while doing the check. At the same time, indicating the RK code is important information for a cashier, on which basis proper recording of the cash expenditure slip can be attained. In the existing system, a cashier records the petty cash slip on a suspense account. Full allocation to GL accounts, cost centres and budgetary classification will be provided by a knowledgeable accountant instead.</p> <p>If the budgetary clerk indicated the respective budgetary classification code as a component of his/her budgetary control, the cashier would be able to accurately record the cash expenditure slip. In this way, the subsequent activity of reallocating the cash expenditure by a knowledgeable accountant could be eliminated. We consider this improvement opportunity for a quick win.</p>

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Budgetary control	The recipient alone ensures approval for contents of expenditure. Related activities are not modelled. Contents-wise approved expenditure is presented to budgetary control.	The recipient submitted request with approved contents	Budgetary check performed	Expenditure request (approved contents)	Expenditure request (approved per budget)	Budgetary clerk	outside IS
2	Expenditure approval by Division Head		Budgetary check performed	Expenditure request approved	Expenditure request (approved per budget)	Expenditure request (approved)	Division Head	outside IS

**Process:** UU.2.2 Performing accounting entry

**Main process:** Performing accounting entry

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
3	Expenditure payment	Cashier pays the requested amount and records it on a suspense account. The recipient signs cash expenditure slip.	Expenditure request approved	Payment done	Expenditure request (approved)	Cash expenditure slip (recoded on suspense account)	Cashier	FI
4	Payment reallocation	Knowledgeable accountant reallocates the payment to appropriate GL account, cost centre, using proper budgetary classification. See improvement opportunity.	Payment done	Payment recorded	Cash expenditure slip (recoded on suspense account)	Cash expenditure slip (recoded)	Cashier	FI

<b>Subprocess name:</b>	<b>Recording expense processed in an integrated module of the IS</b>
<b>Subprocess ID:</b>	<b>UU.2.3</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Accountant generating accounting entry in an integrated module of the IS
<b>Goal/purpose:</b>	Recording expense processed in an integrated module of the IS
<b>Comments/assumptions:</b>	
<b>Description:</b>	The case here are payroll cost and expenses related to fixed assets maintenance. The entries are generated by responsible accountants in the HR and the FI-AA modules and are sent to the FI module. The entries are entered in the real time into the GL and no special controls are needed. During running-in of the IS, control reports were checked. Since parameters of transfers to GL did not change, the control was discontinued. Due to this, the process is not elaborated to the level of activities.
<b>Critical success factors:</b>	1. Proper customisation of accounting entries from integrated modules into the GL 2. Availability of connectivity to modules
<b>Key performance Indicators:</b>	None identified
<b>Frequency/volume:</b>	Accounting entries from payroll are typically monthly by 1 entry. Entries from FI-AA are quarterly for depreciation, for other entries on flow-through basis
<b>Improvement opportunities:</b>	None identified

<b>Subprocess name:</b>	<b>Recording additions / disposals of fixed assets</b>
<b>Subprocess ID:</b>	<b>UU.2.4</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Responsible clerk of Asset Management Division
<b>Goal/purpose:</b>	Recording additions / disposals of fixed assets
<b>Comments/assumptions:</b>	
<b>Description:</b>	Division clerks have access to the FI-AA module. Accounting entries are generated by recording asset transactions. They are automatically transferred to the financial accounting. We do not model the subprocess activities due to the fact that they will not be substantially changed by the new methodology, except changes in account names.
<b>Critical success factors:</b>	Proper customisation of accounting entries
<b>Key performance Indicators:</b>	Time to process individual transactions
<b>Frequency/volume:</b>	Accounting is on flow-through basis
<b>Improvement opportunities:</b>	<p>1. Assets are classified per classes prescribed by synthetic accounts of statutory chart of accounts. This classification is too high-level for needs of organisation with large quantity of assets. For example, on the synthetic account 022, heterogeneous assets as IT and furniture is recorded. The system is not set up to filter out assets in more detail than a synthetic account. We recommend to expand the functionality to enable assets filtering per additional purposeful criteria.</p> <p>2. The system is not set up to record a person responsible for assigned assets. This complicates personnel work, e.g. when checking asset returns at employment termination or when assigning damages to employees. We recommend to add this functionality, including a report providing an overview of assets together with responsible persons.</p>

<b>Process name:</b>	<b>Preparing statements</b>
<b>Subprocess ID:</b>	<b>UU.3</b>
<b>Main process name:</b>	<b>Accounting</b>

<b>Goal/purpose:</b>	To prepare accounting outputs compliant with legislation requirements and meeting internal needs of MF SR
<b>Comments/assumptions:</b>	
<b>Critical success factors:</b>	Timely completion of period accounting
<b>Key performance indicators:</b>	Time to prepare statements

#### Subprocesses

ID	Subprocess name	Precondition	Result	Coverage by ISs
UU.3.1	Preparing B/S, I/S and Budgetary Compliance Report	1. End of reporting period arrived, and, 2. Period accounting completed	Statements sent via ISŠP to Division of Budget and Chapter Budget Management ("Division")	SAP R/3 FI
UU.3.2	Preparing report on sectoral classification of financial assets and liabilities	1. End of reporting period arrived, and, 2. Period accounting completed	The report submitted to the Division	outside IS

<b>Subprocess name:</b>	<b>Preparing B/S, I/S and Budgetary Compliance Report</b>
<b>Subprocess ID:</b>	<b>UU.3.1</b>
<b>Subprocess of:</b>	<b>Preparing statements</b>

<b>Owner :</b>	Informal chief accountant
<b>Goal/purpose:</b>	Preparing financial and budgetary statements
<b>Comments/assumptions:</b>	
<b>Description:</b>	Statements generation is fully automated. The IS generates both printed and electronic versions of statements. These, having been signed, are submitted to the Division of Budget and Chapter Budget Management. Due to straightforwardness of the process, it has not been elaborated to the activity level.
<b>Critical success factors:</b>	1. Timely completion of period accounting 2. Proper customisation of report templates
<b>Key performance Indicators:</b>	None identified
<b>Frequency/volume:</b>	Quarterly
<b>Improvement opportunities:</b>	None identified

<b>Subprocess name:</b>	<b>Preparing report on sectoral classification of financial assets and liabilities</b>
<b>Subprocess ID:</b>	<b>UU.3.2</b>
<b>Subprocess of:</b>	<b>Preparing statements</b>

<b>Owner :</b>	Informal chief accountant
<b>Goal/purpose:</b>	Preparing financial and budgetary statements
<b>Comments/assumptions:</b>	
<b>Description:</b>	The report on sectoral classification of financial assets and liabilities ("FINFAP report") is prepared manually on a typewriter. Due to straightforwardness of the process, it has not been elaborated into the activity level.
<b>Critical success factors:</b>	Timely completion of period accounting
<b>Key performance Indicators:</b>	None identified
<b>Frequency/volume:</b>	Quarterly
<b>Improvement opportunities:</b>	We believe that the FINFAP report does not include all requested items, e.g. in column 10 "Other receivables and paid advances", all receivables and paid advances should be reported in order to reach consistency with the B/S rows according to the MF SR Instruction of 20 Dec. 2005 published in Finančný spravodajca 1/2006, page 57. We recommend expanding the IS functionality for generating this report which will systematically ensure consistency with the B/S rows.