

<b>Process name:</b>	<b>Administration of master data</b>
<b>Process ID:</b>	<b>VPS.1</b>
<b>Main process name:</b>	<b>Accounting</b>
<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
VPS.1.1	Chart of accounts administration	Need to change the chart of accounts	Amended chart of accounts	SAP R/3 FI
VPS.1.2	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>VPS.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>	Change in accounting settings for analytical records are performed by 2 assigned accountants, 1 main and 1 backup accountant. The both have necessary authorisations in the system. Approval by Accounting Dept. Head is not needed. In case of need, the Accounting Head provides methodological guidance.
<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 assigned accountant	Informing is not formalised	Need for change identified	Assigned accountant informed about the need for change	1. Legislation change 2. New internal information need	Information for assigned accountant	The accountant requesting the change	outside IS
2	Change realization		Assigned accountant informed about the need for change	Change realized	Information for assigned accountant	Set up change	Assigned accountant	SAP R/3
3	Informing the requesting accountant	Informing is not formalised	Change realized	Requesting accountant informed about the change	Set up change	Information on set up change	Assigned accountant	outside IS

<b>Subprocess name:</b>	<b>Administration of report templates</b>
<b>Subprocess ID:</b>	<b>VPS.1.2</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 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 on flow-through basis.
<b>Improvement opportunities:</b>	There is a space for further automation of reports generated for internal needs.

<b>Subprocess name:</b>	<b>Performing accounting entry</b>
<b>Subprocess ID:</b>	<b>VPS.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 Dept. maintains accounting records also of other organisations than MF SR which is not modelled. For MF SR, 2 clients are maintained: Public Treasury Administration ("VPS") and State Debt ("SD"). Receipts and payments are the main types of transactions for the both clients. They are similar from the process point of view and they are modelled within 1 subprocess. For SD, there is also a separate subprocess of accounting for off-budget assets and liabilities which modelled separately. The recording is performed by 5 accountants specialised for individual transaction types. Detailed description of accounting aspects of all types of accounting transactions is in the internal guideline MF SR Nr. 2/2006 on accounting and document cycle in the Chapter of VPS.
<b>Critical success factors:</b>	1. Availability of properly customised accounting system 2. Availability of underlying information, either in form of supporting documentation or electronic data transferred from separate systems
<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
VPS.2.1	Accounting for receipt	Supporting documentation taken over	Receipt recorded	SAP R/3 FI
VPS.2.2	Accounting for expenditure	Supporting documentation taken over	Expenditure recorded	SAP R/3 FI
VPS.2.3	Accounting for assets on the basis of bank statement	Change in assets occurred	Change in assets recorded	SAP R/3 FI
VPS.2.4	Accounting for assets and liabilities on the basis of supporting documentation	Supporting documentation taken over	Receipt / expenditure related to assets / liabilities recorded	SAP R/3 FI

<b>Subprocess name:</b>	<b>Accounting for receipt</b>
<b>Subprocess ID:</b>	<b>VPS.2.1</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Accountant accounting for a type of receipt
<b>Goal/purpose:</b>	Recoding a receipt, from receiving a supporting documentation to processing the received funds
<b>Comments/assumptions:</b>	
<b>Description:</b>	A supporting documentation to a receipt with the area of State Budget or State Debt is created either internally by an assigned division of MF SR, or externally, e.g. by ARDAL, NBS, ČNB, ČSOB. It can have the form of advice or official memo. A receivable is recorded for some type of receipts, e.g. penalty receivables, and interest receivables, e.g. interest of foreign loans held by NBS, ČNB a ČSOB. The bank statement from ISSP is accounted for manually. If no receivable for a receipt is recorded, the related supporting documentation (e.g. advice) is attached to the bank statement.
<b>Critical success factors:</b>	Prompt and documented information exchange with divisions or institutions providing supporting documentation
<b>Key performance Indicators:</b>	Time needed to record individual types of accounting transactions
<b>Frequency/volume:</b>	Recording is on the flow-through basis after receipt of 1 document
<b>Improvement opportunities:</b>	Is a receivable for a receipt is recorded (see activity 2), there is a possibility to set up and use the functionality for automated posting of bank statement, see improvement opportunity ISUF.2.1.

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Receipt of supporting documentation	Receipt of supporting documentation is per document circulation rules.	Accountant received supporting documentation	1. Receipt receivable to be recorded (activity 2) 2. Receipt receivable not to be recorded (activity 4)	Supporting documentation	Supporting documentation	Accountant	outside IS
2	Recording receipt receivable	In cases prescribed by Internal Accounting Guideline	Receipt receivable to be recorded	Receipt receivable recorded	Supporting documentation	Supporting documentation (recorded)	Accountant	SAP R/3 FI
3	Recording receipt collection	Recorded on the basis of bank statement of ISSP	Receipt receivable recorded	Receipt collection recorded, end	Bank statement	Bank statement (recorded)	Accountant	SAP R/3 FI
4	Recording receipt collection	Related supporting documentation is attached to the bank statement	Receipt receivable not to be recorded (activity 1)	Receipt collection recorded	Bank statement, supporting documentation	Bank statement (recorded)	Accountant	SAP R/3 FI

<b>Subprocess name:</b>	<b>Accounting for expenditure</b>
<b>Subprocess ID:</b>	<b>VPS.2.2</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Accountant accounting for a type of receipt
<b>Goal/purpose:</b>	Recoding an expenditure, from receiving an Expenditure Approval Form ("Form")to processing the payment.
<b>Comments/assumptions:</b>	Expenditure approval by ex-ante financial control is an independent process outside accounting and it is not modelled.
<b>Description:</b>	Expenditures within the State Budget and State Debt are documented by the Form issued by assigned MF SR division and approved by ex-ante financial control. Payable is not recorded for transfers, only payments per the bank statement of ISŠP where the Form is attached to the accounting entry. For expenses, an expense and a liability is recorded on the basis of the Form. The payable is matched to a payments per the ISŠP bank statement.
<b>Critical success factors:</b>	Prompt and documented information exchange with divisions or institutions providing supporting documentation
<b>Key performance Indicators:</b>	Time needed to record individual types of accounting transactions
<b>Frequency/volume:</b>	Recording is on the flow-through basis after receipt of 1 document
<b>Improvement opportunities:</b>	Is a receivable for a receipt is recorded (see activity 2), there is a possibility to set up and use the functionality for automated posting of bank statement, see improvement opportunity ISUF.2.1.

#### Subprocess activities

ID	Activity name	Activity description	Precondition	Result	Input elements	Output elements	Responsible	Module
1	Receipt of Expenditure Approval Form	Receipt of the Form is per MF SR document circulation rules.	Accountant received Expenditure Approval Form	1. Payable to be recorded (activity 2) 2. Payable not to be recorded (activity 4)	Expenditure Approval Form	Expenditure Approval Form	Accountant	outside IS
2	Recording payable	In cases prescribed by Internal Accounting Guideline	Payable to be recorded	Payable recorded	Expenditure Approval Form	Expenditure Approval Form (recorded)	Accountant	SAP R/3 FI
3	Recording payment	Recorded on the basis of bank statement of ISŠP	Payable recorded	Payment recorded, end	Bank statement	Bank statement (recorded)	Accountant	SAP R/3 FI
4	Recording expenditure	Related form is attached to the bank statement	Payable not to be recorded (activity 1)	Expenditure recorded	Bank statement, Expenditure Approval Form	Bank statement (recorded)	Accountant	SAP R/3 FI

<b>Subprocess name:</b>	<b>Accounting for assets on the basis of bank statement</b>
<b>Subprocess ID:</b>	<b>VPS.2.3</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Assigned State Debt accountant
<b>Goal/purpose:</b>	Recording changes in assets in extra-budgetary assets and liabilities.
<b>Comments/assumptions:</b>	
<b>Description:</b>	Some assets, e.g. securities for World War II rehabilitations, are maintained externally (e.g. VUB). Only movements per a bank statement received from the external entity are recorded. No supporting documentation is attached to the bank statement. From the reason of simplicity, subprocess details have not been modelled.
<b>Critical success factors:</b>	None identified
<b>Key performance Indicators:</b>	Time needed for recording
<b>Frequency/volume:</b>	Occasional on as-needed basis
<b>Improvement opportunities:</b>	None identified

<b>Subprocess name:</b>	<b>Accounting for assets and liabilities on the basis of supporting documentation</b>
<b>Subprocess ID:</b>	<b>VPS.2.4</b>
<b>Subprocess of:</b>	<b>Performing accounting entry</b>

<b>Owner :</b>	Assigned State Debt accountant
<b>Goal/purpose:</b>	Recording changes in assets and liabilities in extra-budgetary assets and liabilities.
<b>Comments/assumptions:</b>	
<b>Description:</b>	Acquisition and disposal of asset or incurring, change or settlement of payable, is recorded on the basis of supporting documentation of assigned division, e.g. Division of Management of Selected Assets and Liabilities, or of an external entity, e.g. ARDAL, NBS, ČNB a ČSOB. VPS does not avail of a specialised module for recording assets, i.e. individual transactions are posted directly into the GL on particular analytical accounts. Similarly as in the VPS.2.1. subprocess, a receivable can or need not be recorded for receipts. Similarly as in the VPS.2.2 subprocess, a payable is recorded for some expenditures, or only payment is recorded on the basis of bank statement. The activities are corresponding to VPS.2.1. and VPS.2.2 subprocess and they are not modelled.
<b>Critical success factors:</b>	Prompt and documented information exchange with divisions or institutions providing supporting documentation.
<b>Key performance Indicators:</b>	Time needed for recording
<b>Frequency/volume:</b>	On flow-through basis after receipt of supporting documentation
<b>Improvement opportunities:</b>	<p>1. VPS by not using any specialised functionality for registering assets and liabilities, e.g. no subledgers, asset management or treasury module are used, but recording in analytical GL accounts is used, faces complications in controlling its assets and liabilities. For example, in order to determine up-to-date asset balance per own IS, it is necessary to find an expenditure increasing the asset balance in the GL and add manually to the opening balance. If using a functionality for asset management, the updated balance would be available instantly from the IS. This issue can be solved by electronic connection with ARDAL for assets and liabilities managed there, however, the data from ARDAL alone will not solve the problem of a complicated reconciliation process of potential differences in the closing balances per ARDAL and per VPS. We recommend considering the implementation of a specialised functionality.</p> <p>2. There is an option to use automated posting of bank statements if receivable / payable has been recorded before, by analogy to ISUF.2.1.</p>



<b>Process name:</b>	<b>Preparing statements</b>
<b>Process ID:</b>	<b>VPS.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
VPS.3.1	Preparing statutory statements	1. End of reporting period arrived, and, 2. Period accounting completed	Statements created and sent via ISŠP	SAP R/3 FI
VPS.3.2	Preparing internal reports	1. End of reporting period arrived, and, 2. Period accounting completed	Internal reports created	SAP R/3 FI

<b>Subprocess name:</b>	<b>Preparing statutory statements</b>
<b>Subprocess ID:</b>	<b>VPS.3.1</b>
<b>Subprocess of:</b>	<b>Preparing statements</b>

<b>Owner :</b>	Head of Accounting Dept.
<b>Goal/purpose:</b>	Preparing balance sheet, income statement, budgetary compliance report, FINFAP report
<b>Comments/assumptions:</b>	
<b>Description:</b>	Accountants assigned to accounting for particular receipt and expenditure types check completeness and correctness of records for their domains. Movements are reconciled with assigned divisions and with ARDAL. After completing the checks, statements are printed out from the system. The electronic version is sent via ISSP. All statements are generated by the IS. Due to straightforwardness of the process we do not model the activities.
<b>Critical success factors:</b>	Prompt communications between involved accountants
<b>Key performance Indicators:</b>	Time to prepare statements
<b>Frequency/volume:</b>	Quarterly
<b>Improvement opportunities:</b>	None identified

<b>Subprocess name:</b>	<b>Preparing internal reports</b>
<b>Subprocess ID:</b>	<b>VPS.3.2</b>
<b>Subprocess of:</b>	<b>Preparing statements</b>

<b>Owner :</b>	Head of Accounting Dept.
<b>Goal/purpose:</b>	Preparing ARDAL account structure, detailed balance sheets, special overviews of receipts and expenditures per budgetary classification items.
<b>Comments/assumptions:</b>	
<b>Description:</b>	Internal reports are prepared quarterly after completing period checks described in VPS.3.1 subprocess. They are prepared as .xls files on the basis of IS data. Due to process straightforwardness, it is not modelled to the level of activities.
<b>Critical success factors:</b>	None identified
<b>Key performance Indicators:</b>	Time to prepare statements
<b>Frequency/volume:</b>	Quarterly
<b>Improvement opportunities:</b>	None identified