



City of
HOPEWELL
VIRGINIA

THE
ROBERTBOBB
GROUP³



STATUS REPORT

PROJECT MANAGEMENT OFFICE AND ACCOUNTING REMEDIATION SERVICES

11-03-2023

PROJECT MANAGER
Heather Ness

INTRODUCTION

This status report provides an overview of the progress made to date and outlines the upcoming actions and challenges related to the Project Management Office (PMO) and Accounting Remediation Services.

In this report, we will delve into completed milestones, immediate next steps, and potential challenges we may encounter. The accomplishments detailed in the "Completed to Date" section reflect the diligent efforts of our team in the initial phase of this critical undertaking. These actions underscore the commitment to establishing a strong foundation for the City's financial recovery and revitalization.

Additionally, the "Next Period Actions" section outlines our forward-looking strategies and immediate priorities, emphasizing the dedication to achieving our objectives. Through collaboration, proactive planning, and targeted actions, we are poised to steer the City toward financial stability.

We invite you to explore the detailed sections of this report to gain a deeper understanding of our achievements, ongoing initiatives, and the roadmap that will guide us in the coming period as we work towards financial recovery and transformation.

EXECUTIVE SUMMARY

This update provides a concise summary of the recent activities related to the Project Management Office (PMO) and the Accounting Remediation Services project. Over the past week, there was significant progress in the PMO and Accounting Remediation Services areas. As the project accelerates, the *Completed This Period Section* has been systematically organized by the primary areas of focus, reflecting the work of various dedicated teams.

Over the recent period, the project has seen substantial advancements across multiple fronts. A series of internal team meetings have solidified communication, ensuring all members are informed of their roles and the project's evolution.

The ERP Consultants are deeply involved in optimizing the use of the Munis System within the City. The decision to explore a Pooled Cash fund reflects a proactive step towards modernizing the City's financial practices and enhancing the administrative capabilities of the treasury.

In addition, narratives for taxes and services like Machinery and Tools Tax, and Food and Beverage Tax have been finalized, with others such as Real Estate Tax, and Personal Property Taxes nearing completion. These narratives form the foundation of the project's Standard Operating Procedures (SOPs), with a project plan and a tracking system in place to ensure coherence and consistency across all documentation.

In terms of the reconciliation process, the teams have also been diligently working on reconciling state revenues and bank statements from various fiscal years, with an investment and bank statement matrix introduced for better oversight.

To maximize the efficacy and relevance of this project and its associated recommendations, our discussions have consistently prioritized data-driven decision-making. Achieving a thorough understanding of the City remains a central focus of our review process.

1. COMPLETED THIS PERIOD

1.1. WALKTHROUGH AND MEETINGS

- **Internal Team Meeting:** As the project progresses, it is crucial for all involved teams to discuss and understand each other's roles and activities. A meeting was held with the goal of achieving cohesive communication and awareness of progress, potential issues, and important developments.
- **Status Report Meeting:** A status report meeting was held with the City Manager Dr. Concetta Manker to provide an update on the current position and progress within the project.
- **Munis Financial Reporting Review Meeting:** The Enterprise Resource Planning (ERP) Consultants engaged with Interim Financial Director and UHY Team to take a deep dive into the Munis Financial Reporting process.
- **Munis Bank Reconciliation Setup and History Meeting:** The ERP Consultants had a meeting with the ERP Administrator of the City of Hopewell and the Interim Financial Director. The main points discussed in this meeting are presented below:
 - **Munis Training Review:** An overview of the bank reconciliation training provided by Tyler Implement Consultant was discussed.
 - **Bank Account Configuration:** Discuss the current setup of bank accounts and the process of mapping General Ledger (GL) cash accounts to actual physical bank accounts.
 - **Pooled Cash Fund:** Encompassed a strategic discussion about improving the City of Hopewell's financial management processes. Currently, all cash for Accounts Payable and Payrolls are processed through the General Fund for Hopewell. Currently, all cash for AP and Payrolls is processed through the General Fund for Hopewell.
 - **Historical Reconciliation Practices:** The history of bank reconciliation practices within the city was reviewed to identify potential areas of improvement and to ensure a solid understanding of past challenges and solutions.

- Actionable Follow-Ups: The ERP Administrator was tasked with supplying complete check registers for both Accounts Payable and Payroll. This documentation has now been provided. Additionally, a refresher of the TEST environment was requested to aid the ERP Consultants in testing the Pooled Cash/Treasury fund setup. This task has been completed, and the consultants have begun their assessment. A follow-up meeting is scheduled with the Interim Financial Director next week to further explore the functionalities of the Munis system.
- Module Status Review: The team reviewed the status of various modules within the Munis system, confirming the ones acquired by the city as well identifying the ones that are implemented, not implemented, or not purchased, as detailed below:

Purchased / Not implemented.

- Annual Comprehensive Financial Report (ACFR) Statement Builder
- Project Ledger with Grant Management
- AP Payment Manager (part of Accounts Payable)
- Bid Management
- Contract Management
- Socrata Reporting

Not purchased / Not implemented

- Employee Expense Reimbursement (EER)

Purchased / Not Needed

- Applicant Tracking (City using NeoGov instead)
- Executime Advanced Scheduling w/ Time and Attendance (ERP Administrator reported several issues)

- **Reconciliation Process Meeting:** A meeting was held with UHY Team, the Interim Director of Finance and staff from Robert Half to thoroughly understand the methodologies and procedures involved in reconciling accounts for fiscal years 2020 and 2021.

1.2. STANDARD OPERATING PROCESS (SOP) STATUS

- **Narrative Documentation & Review:** The narratives for the Machinery and Tools Tax, Business License, Hopewell Regional Water Treatment Facility, Food and Beverage Tax, and Asset Forfeiture have all been successfully finalized and approved. Current efforts are concentrated on finalizing narratives for Real Estate Tax, Social Welfare, and Personal Property Taxes. Additional walkthroughs were required to develop narratives for Emergency Medical Services (EMS) with the Treasurer's Office, and Data Integrators. The Children's Service Act narrative is under review by the Treasurer's Office and the Children's Service Act Department; the Parks and Recreation narrative is being examined by the Treasurer's Office in conjunction with the Hopewell Recreation and Parks Department; and the Tax Relief narrative is undergoing review by the Commissioner of Revenue's Office. These narratives are vital, as they identify potential risks and recommend improvements in controls and processes.
- **Standard Operating Process:** This week, the SOP team convened to develop a comprehensive project plan that encompasses all existing narratives and those under finalization for conversion into Standard Operating Procedures (SOPs). In pursuit of synchronizing efforts and establishing a cohesive approach, a timeline is currently being finalized and it is going to be presented in the forthcoming week. A tracker has also been developed to ensure all team members are informed of ongoing progress and any critical milestones reached in the project. Additionally, uniformity has been a key focus, with steps taken to ensure all documents adhere to a consistent standard. Reviews are in progress for the SOP word documents and Visio flowcharts related to the payroll process and business property tax, while the SOP for accounts payable is nearing completion.

1.3. ENTERPRISE RESOURCE PLANNING (ERP) CONSULTANTS STATUS

During this week, as part of the ongoing initiatives to enhance the utilization of the Munis System, the ERP Consultants have accomplished the following:

- **Tyler Technologies Contract:** The Enterprise Resource Planning (ERP) Consultants have engaged with a staff member from Tyler Technologies, who provided the original contract,

its subsequent amendments, and product quotes. However, an internal account reconciliation is necessary to determine the number of implementation days remaining from the City's original contract for Munis implementation. This will ascertain if the existing balances can support the activation of additional modules currently not in use by the City, such as Contract Management, Bid Management, and Project Ledger with Grant Management. A request for this reconciliation has been filed with Tyler Technologies. The representative from Tyler anticipated that the company typically takes some time to complete these types of requests.

- **Addressed Training Issues:** The ERP Consultants contacted the Tyler PACE project manager to report on deficiencies identified in the recent Bank Reconciliation training sessions provided by Tyler Technologies for the City of Hopewell. Key points raised included:
 - Requested Tyler Technologies to re-do the recent training session on Bank Reconciliation for the Hopewell team. This request stems from observations indicating that the initial consultant may not possess thorough expertise in the bank reconciliation procedures, particularly the nuances of the BAI / Bank Reconciliation Manager component.
 - Requested a Tyler Technologies resource with a deep understanding of the General Ledger (GL) impacts, the BAI / Bank Reconciliation Manager process, as well the use of pooled cash fund for more effective reconciliation management.
 - Evaluated the follow-up details supplied by the Tyler consultant on promised action items after the training. It was noted that the information and responses given by the consultant appeared inadequate to adequately equip Hopewell staff with the necessary understanding to make informed decisions affecting the setup and application of the Bank Reconciliation Manager function within the Tyler Munis ERP system.
 - Pending Follow-up: The Tyler PACE Manager is currently out of the office; ERP Consultants will follow up on these concerns upon her return next week.
- Extracted requested detailed transaction records from the General Ledger (Account Inquiry for fiscal years 2019 through 2023), pertaining to all cash accounts (debits only, credits

only, and all transactions) within the Tyler Munis ERP system. The data was then sent to the UHY Team for further analysis.

- Engaged in investigative a General Ledger report with customer number field that correlates directly to the A/R Aging Detail.
- Initiated the setup of a centralized Pooled Cash/Treasury fund within the TEST environment of Hopewell's Tyler Munis ERP system to determine its efficacy in streamlining the City's bank reconciliation procedures.

1.4. RECONCILIATION STATUS

This week's reconciliation efforts have yielded notable advancements. The team completed the reconciliation of the FY 2021 state revenue, and substantial progress was made on the FY 2022 and FY 2023 state revenue reconciliations, which yields approximate 60% of the City's revenues. The focus also remained on reconciling FY 2020 bank statements, real estate tax revenues and receivables, as well as personal property tax revenues and receivables. See below details of key activities performed:

- **Bank Statements:** The team is currently focused on reconciling bank statements from the fiscal year 2020. While most statements from FY2021 to FY2023 have been received, there is a notable gap in documentation for FY2020 and FY2021. To manage this, a bank statement matrix has been implemented to meticulously track and ensure receipt of all required documents. Additionally, the team has requested the Treasurer to provide CSV files of the bank statements directly from the banks. This proactive measure is intended to bypass the time-consuming process of converting PDF files into CSV format, thus streamlining the reconciliation process and enhancing efficiency.
- **Investment Statements:** An investment statement matrix has been established to systematically organize, monitor, and present essential details from various account investment statements. It is important to point that the majority of the Local Government Investment Pool (LGIP) Statements are yet to be acquired, along with some statements from SunTrust and US Bank.

- Accounts Payable and Payroll: The team has obtained the check register for both accounts payable and payroll, as requested. The Audit Support Specialist (CAAS) Team is set to commence the reconciliation process for these accounts in the upcoming week.
- Accounts Receivable: For accounts receivable, the team received information on the fiscal year 2019 reconciliation details. However, this data is currently without supporting documentation or clear methodology. To resolve these gaps, the team plans to examine the items using the customer numbers available, aiming to gain better clarity. To further facilitate this process, additional meetings with ERP Consultants have been arranged to obtain the necessary information to execute these reconciliations effectively.

Furthermore, the Third Line Team, in collaboration with UHY Team, is currently awaiting further data. Communications with Hopewell's IT team are ongoing, with an initial request and a subsequent follow-up already dispatched. Concurrently, efforts are being made to develop the logic for the analytics, which were designed in partnership with UHY Team, to pinpoint potential risks or anomalies.

1.5. INDUSTRY ASSESSMENT STATUS

This week's efforts focused on collaborating with accounting resources performing the wastewater commission reconciliations to incorporate the actual financial figures into the reconciliation sheets, which will subsequently be used for billing purposes. All available actuals have been received and are being incorporated into the reconciliation sheets to finalize the numbers. The resulting document will provide:

- Budget allocations.
- Industry payments.
- Estimated flows.
- Actual flows for billing purposes.
- Operational expenses of the plant.
- Capital budgets.
- Expenditure on capital projects.
- Miscellaneous and interest income, including funds from leachate.

This comprehensive document will enable the assessment of each partner's financial position in relation to the plant.

Additionally, a request was also made for a sample of a previous billing package to ascertain the full scope of information provided to industry partners about their financial standings.

2. INTERIM FINANCIAL DIRECTOR INSIGHTS

Current Week

- Continued building relationships internally with Finance Staff
 - Believe that the Finance Director's Financial Analyst is an asset to the Finance department and the plan is to use her as strong support for budget changes and to support other staff with accounting processes.
- Doing deep dives into Finance processes. Reviewed procurement and credit card processes and had long budget meeting with staff.
- Met with the Treasurer and discussed building a partnership to improve the revenue side of budget and accounting. Discussed meeting with Data Integrators to review their processes. RBG will finalize that meeting.
- Met with the Human Resources director. Discussed labor relations and assistance in evaluating those upcoming issues.
- Drafted a template for monthly financial reports for departments and the Finance Committee.
- Input data into a model that will provide budget forecasting to be a part of next year's budget.
- Met with current Robert Half team, UHY, and existing Finance Director and discussed status.
 - Analyzed City cash position on a couple of different metrics. Provided to UHY for review and comment.

Upcoming Week

- Complete a draft packet of the first four months of financial data for presentation to the Finance Committee. Will review with RBG team and Dr. Manker.
- One-on-one meetings with Robert Half team to continue transition.
- Meeting with UHY and accounting to outline needs going forward to pivot to proper accounting that will support a clean audit for FY24.
- Build budget document structure update to bring it in line with industry standards (e.g., GFOA budget award-type document).

3. OBSERVATIONS AND INSIGHTS

Over the past week, no new findings have emerged; however, it is important to note that a series of documents have been requested and a response from Tyler Technologies is pending on some identified issues. It is crucial for the City of Hopewell to provide the necessary documentation and to follow through with required actions to keep various project components on track. For the ERP system enhancements, sustained collaboration between the City and Tyler Technologies is necessary to clarify and resolve ongoing questions related to the system's functionalities. This situation is reflected in Table 3, which lists three issues currently being resolved by the ERP Consultants Team. This table underscores the importance of timely responses from both Tyler Technologies and city officials to address these concerns effectively.

Efforts are underway to tackle the 98 identified issues, focusing on enacting the recommended solutions. In the coming week, the table detailing these issues will be reviewed to refresh the status of each finding, ensuring that all information is current and reflects the progress made.

Continuous assessment of policies and procedures, enhanced by departmental interviews and walkthroughs, plays a crucial role in mapping out departmental workflows. Currently, some narratives are in the final stages of completion, while others are under review and development. The narratives developed are crucial for evaluating existing processes to ensure alignment with current standards. The flowcharts currently being developed will provide a comprehensive representation of the phases, processes, and procedures followed in the day-

to-day activities of the city departments. Any risks inherent to these operations are meticulously pinpointed, with corresponding controls and procedures established to mitigate them. This detailed identification and analysis will provide a solid foundation for the introduction of improved and streamlined standard operating processes.

The table below summarizes the findings by their respective categories for clearer visualization and organization.

Table 1 - Summary of findings.

Category	Count
People / Training	18
Policies / Procedures	63
Reconciliations	3
Internal Controls	14
Grand Total	98

The chart below shows the findings distribution among impacted departments. Notably, Finance, Accounts Payable, Purchasing and Treasurer are the most affected as of the date of this report. It's important to note that this data is updated weekly.

Figure 1 - Findings by Affected Department

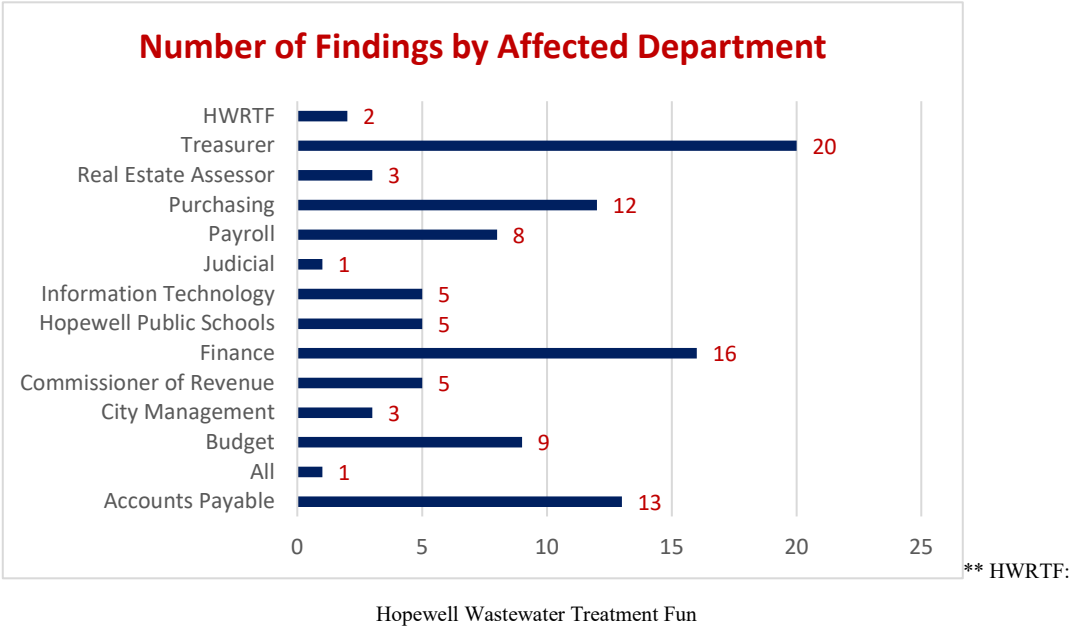


Table 3 – Issues under Resolution, Impacted Department, and Next Actions.

Impacted Dept	Issue Detail	Recommendation	Current State	Next Actions
Treasurer	Determine person responsible for maintaining Bank Codes and Bank Accounts within the Tyler Munis ERP, for purposes of completing Bank Reconciliation.	Schedule meeting with ERP Administrator and Treasurer's office to confirm responsible person.	In Process	During the meeting with ERP Manager on 10/31/2023, she indicated that Treasurer's office is ultimately responsible for maintaining bank codes and bank accounts in the Tyler Munis ERP. The person responsible from within Treasurer's office still needs to be determined.
Treasurer	Once person responsible is determined, need to review current configuration of Bank Codes and Bank Accounts within the Tyler Munis ERP for accuracy, and to review/update or confirm that the correct Munis GL accounts are mapped to the appropriate physical bank accounts in the Tyler Munis ERP.	Schedule meeting with ERP Administrator and Treasurer's office to review and update/confirm configuration and mapping for Bank Accounts to ensure it is set up correctly for using the Bank Reconciliation Manager process.	On Hold	ERP Consultant is currently setting up and testing the utilization of a pooled cash fund to help with better managing bank reconciliation within the Tyler Munis ERP for Hopewell. Until the decision is confirmed as to whether a pooled cash fund will be created to facilitate ongoing bank reconciliation for Hopewell, there is no action item to map bank accounts at this time.

Tyler Technologies (ERP Vendor)	Tyler needs to follow-up with the City to provide a detailed explanation of how the "Create Transfer Transactions" setting on Bank Accounts functions and whether it needs to be utilized for the City's Bank Reconciliation process.	If the Tyler implementation consultant is not able to provide sufficient information to help the City decide on the use of the "Create Transfer Transactions" setting, follow-up with Tyler PACE PM, to schedule sessions with a Tyler resource who has knowledge of this function and how it fits into the overall Bank Reconciliation Manager process.	In Process	Tyler Technologies has followed up but has provided very minimal information that is insufficient for the City to make effective decisions that may impact the configuration and Hopewell's utilization of the Bank Reconciliation Manager process in the Tyler Munis ERP. ERP Consultant has contacted the City's assigned Tyler PACE project manager to request a resource who is knowledgeable enough to lead Hopewell through the bank reconciliation process and that is able to discuss impacts on the GL and best practices for managing the overall process.
---------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4. NEXT PERIOD ACTIONS

- **Plan for the Week of 11/06:** The upcoming week will concentrate on finalizing narratives, continuing the business process mapping, and drafting policies and procedures. Meanwhile, the Reconciliation Team will persist in conducting the necessary reconciliations and the industry team will work towards recommendations for a City path forward.
- **ERP Consultants:** Upon completion of the pooled cash fund configuration in the TEST environment, ERP Consultants are set to coordinate a meeting that will include key stakeholders from Finance, the Treasurer's Office, and IT Personnel to review the setup and discuss next steps. Concurrently, there is a need for diligent follow-up with Tyler Technologies to secure a resource adept in both BAI and Bank Reconciliation Manager processes. This proactive approach ensures that all parties are aligned, and that the City leverages the full potential of its ERP system for streamlined financial operations.
- **Reconciliation Team:** In the upcoming week, the reconciliation team has charted out a comprehensive agenda to advance the City's financial accuracy and oversight. The week's focal tasks will see the completion of the FY 2022 state revenue reconciliation and the initiation of the FY 2023 state revenue calculation. Concurrent efforts will drive the ongoing reconciliation of FY 2020 bank statements, real estate tax revenues, and receivables, as well as personal property tax revenues and receivables, ensuring past records are meticulously aligned with current data. Additionally, there will be a meeting with Robert Half-staff to meticulously review the FY 2020 and FY 2021 reconciliations they have prepared to date. Simultaneously, to support the CAAS team's operations, the reconciliation team will continue the labor-intensive process of converting Bank/Investment statements into Excel format until such time as they can be obtained in CSV files.
- For the successful deployment of the new Bank Reconciliation Manager process, a meeting between the ERP Administrator and the Treasurer's office must be arranged. The aim is to pinpoint the individual responsible for maintaining Bank Codes and Bank Accounts within

the Tyler Munis ERP and to ensure the precise mapping of the General Ledger account to the physical bank account.

- **Detailed Meetings:** The week's meetings are designed to foster cross-departmental collaboration and facilitate smooth operations by completing the necessary walkthroughs. They are scheduled as follows:
 - 11/06/2023
 - Status Meeting
 - Internal Meeting
 - Annual Audit Service (CAAS) Meeting
 - Treasurer Walkthrough – Emergency Medical Services (EMS)
 - 11/07/2023
 - Munis Overview (General Navigation, Reporting/Inquiry) with Interim Finance Director
- **Turnaround Plan Execution:** This week emphasizes finalizing the narratives for standard operating procedure documentation and initiating their formulation. Concurrently, measures to address identified challenges are in progress.

5. ISSUES PREVENTING PROGRESS

- Reporting from the wastewater Enterprise Accountant which added actuals for capital and operating expenses to the commission reconciliations. This was due last Friday.
- The ERP Consultants have identified the following necessary actions:
 - An Internal account reconciliation is necessary to determine the number of implementation days remaining from the City's original contract for Munis implementation. A request for this reconciliation has been filed with Tyler Technologies. The representative from Tyler anticipated that the company typically takes some time to complete these types of requests.

- Meetings to collaborate with the Reconciliation Process:
 - Robert Half individuals – 60-90 minutes per person for reconciliation education.
 - Access to the pre-audit data on the City’s network and/or folder structure, consolidated, organized, and named.
- Documents to collaborate with the Reconciliation Process:
 - Local Government Investment Pool (LGIP) Statements are yet to be acquired, along with some statements from SunTrust and US Bank.
 - CSV Files of the Bank Statements (**priority**)
 - Access to the F drive is required to acquire copies of the Robert Half pre-audit team's FY 2020 and FY 2021 reconciliations, including all pertinent supporting documents.
 - Other documents: Accounts Receivable A/R reconciliation detail in Munis, outstanding bank statements, outstanding reconciliation statements, outstanding check registers.