

Requirement 2 (E)



Puerto Rico Department of Treasury

Invoice Processing KPI's

For the month of October FY20

Disclaimer

- *The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), the Government of Puerto Rico (the “Government”), and each of their respective officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates (collectively, with AAFAF and the Government the “Parties”) make no representation or warranty, express or implied, to any third party with respect to the information contained herein and all Parties expressly disclaim any such representations or warranties.*
- *The Parties do not owe or accept any duty or responsibility to any reader or recipient of this presentation, whether in contract or tort, and shall not be liable for or in respect of any loss, damage (including without limitation consequential damages or lost profits) or expense of whatsoever nature of such third party that may be caused by, or alleged to be caused by, the use of this presentation or that is otherwise consequent upon the gaining of access to this document by such third party.*
- *This document does not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants or any other organization. Accordingly, the Parties do not express an opinion or any other form of assurance on the financial statements or any financial or other information or the internal controls of the Government and the information contained herein.*

Any statements and assumptions contained in this document, whether forward-looking or historical, are not guarantees of future performance and involve certain risks, uncertainties, estimates and other assumptions made in this document. The economic and financial condition of the Government and its instrumentalities is affected by various financial, social, economic, environmental and political factors. These factors can be very complex, may vary from one fiscal year to the next and are frequently the result of actions taken or not taken, not only by the Government and its agencies and instrumentalities, but also by entities such as the government of the United States. Because of the uncertainty and unpredictability of these factors, their impact cannot be included in the assumptions contained in this document. Future events and actual results may differ materially from any estimates, projections, or statements contained herein. Nothing in this document should be considered as an express or implied commitment to do or take, or to refrain from taking, any action by AAFAF, the Government, or any government instrumentality in the Government or an admission of any fact or future event. Nothing in this document shall be considered a solicitation, recommendation or advice to any person to participate, pursue or support a particular course of action or transaction, to purchase or sell any security, or to make any investment decision.

- *This document does not constitute an audit of compliance with any federal law, rule or regulation.*
- *By receiving this document, the recipient shall be deemed to have acknowledged and agreed to the terms of these limitations.*
- *This document may contain capitalized terms that are not defined herein, or may contain terms that are discussed in other documents or that are commonly understood. You should make no assumptions about the meaning of capitalized terms that are not defined, and you should consult with advisors of AAFAF should clarification be required.*
- *Post Hurricane Maria has affected systems, communications or management availability due to prioritization of recovery and reconstruction activities in some component units.*
- *This is affecting timing, reliability and, therefore, integrity of information and data.*
- *Continuous efforts are being made to enhance data integrity progressively.*

**Puerto Rico Department of the Treasury
Central Accounting Area
Invoice Processing Capacity Analysis
October 31st, 2019**

Overview:

Effective March 1st, 2018, the Puerto Rico Department of the Treasury (Treasury) implemented an online invoice registry (AP Portal) for 3rd party vendors to report all invoices dated from said date onward. Government Agencies (Agencies) were instructed by Treasury to upload all valid 3rd party vendor invoices dated prior to March 1st, 2018 into the AP Portal.

Invoice Processing General Overview:

Per Treasury's Circular Letter 1300-22-18, 3rd party vendors are responsible for submitting physical invoices to Agencies as well as uploading them to the AP Portal. Agencies are instructed to process only those physical invoices that are also registered in the AP Portal. For an invoice to be considered as processed, Agencies must verify budget availability and compliance of supporting documentation. Once invoices are processed and approved for payment, a payment voucher is generated and sent to Treasury.

Purpose of Report:

This report presents, for each individual Agency, the actual unprocessed invoice backlog reported in Treasury's AP Portal and compares it to the average monthly processed vouchers count (for FY 2020) to determine the length of time (in months) expected to process the complete backlog, assuming zero invoice inflow.

Limitations:

Invoice processing FTE's have not yet been determined for each Agency, said information is pending to be received for further analysis including, but not limited to, invoices processing capacity per FTE and possible FTE's required for complete backlog processing in a given timeframe.

Puerto Rico Department of Treasury | AAFAF
Unprocessed Invoices Backlog Executive Summary as of October 31st, 2019
(figures in thousands)

Top Five Agencies by Total Unprocessed Invoice Amount

ID	Agency	Total (\$)	Est. Months to Process
		Unprocessed Invoices	Complete Backlog
71	Department of Health	\$153,396	13.25
81	Department of Education	30,289	0.50
78	Department of Housing	26,613	11.75
16	Office of Management and Budget	25,102	3.00
49	Department of Transportation and Public Works	17,615	3.00
Total Top Five		\$253,014	
All Other		132,994	
Total All Agencies		\$386,008	

Top Five Agencies by Estimated Months to Process Complete Invoice Backlog

ID	Agency	Total (\$)	Est. Months to Process
		Unprocessed Invoices	Complete Backlog
31	General Services Administration	\$1,833	14.00
71	Department of Health	153,396	13.25
78	Department of Housing	26,613	11.75
50	Department of Natural and Environmental Resources	4,216	10.50
65	Public Services Commission	256	8.75
Total Top Five		\$186,313	
All Other		199,695	
Total All Agencies		\$386,008	

Historical Information (FY20)

	August	September	October
Total Unprocessed Invoices	\$424,896	\$349,369	\$386,008
Ending A/P Balance	531,859	553,431	493,091
Percentage of Invoices Unprocessed	80%	63%	78%
MoM Change in Unprocessed Invoices	N/A	(17.8)%	10.5%

Puerto Rico Department of Treasury | AAFAF
Unprocessed Invoices Backlog vs Average Monthly Processing Capacity as of October 31st, 2019
(figures in thousands)

ID	Agency	YTD October FY20 Monthly Average Processed Vouchers	Unprocessed Invoices In AP Portal as of 10/31/2019		Currently Processing Invoices	Estimated Months to Process Complete Invoice Backlog
			Total Count	Total Amount		
				\$		
14	Environmental Quality Board	169	358	\$ 923	2.00	2.00
15	Office of the Governor	162	582	1,343	N/A	3.50
16	Office of Management and Budget	92	280	25,102	N/A	3.00
18	Planning Board	55	94	865	N/A	1.75
21	Emergency Management and Disaster Administration Agency	76	225	4,029	N/A	3.00
22	Office of the Commissioner of Insurance	45	67	1,133	N/A	1.50
23	Department of State	117	110	166	N/A	1.00
24	Department of the Treasury	311	66	5,301	N/A	0.25
25	Hacienda (entidad interna - fines de contabilidad)	545	2,247	12,230	N/A	4.00
28	Commonwealth Election Commission	115	895	3,714	N/A	7.75
30	Office of Administration and Transformation of Human Resources in the Government of PR	20	20	34	N/A	1.00
31	General Services Administration	28	392	1,833	N/A	14.00
34	Investigation, Prosecution and Appeals Commission	6	20	12	N/A	3.50
35	Industrial Tax Exemption Office	-	187	405	N/A	N/A
37	Civil Rights Commission	16	18	24	N/A	1.25
38	Department of Justice	361	1,047	7,359	N/A	3.00
40	Puerto Rico Police Department	608	659	1,348	N/A	1.00
42	Puerto Rico Firefighters Corps	160	97	64	N/A	0.50
43	Puerto Rico National Guard	479	649	5,391	N/A	1.25
45	Department of Public Safety	353	944	3,210	N/A	2.75
49	Department of Transportation and Public Works	397	1,212	17,615	10.00	3.00
50	Department of Natural and Environmental Resources	76	792	4,216	2.00	10.50
55	Department of Agriculture	104	335	1,044	N/A	3.25
60	Citizen's Advocate Office (Ombudsman)	18	14	50	N/A	0.75
62	Cooperative Development Commission	18	37	80	N/A	2.00
65	Public Services Commission	15	133	256	N/A	8.75
67	Department of Labor and Human Resources	458	692	1,753	7.00	1.50
68	Labor Relations Board	10	9	23	N/A	1.00
69	Department of Consumer Affairs	83	43	54	N/A	0.50
71	Department of Health	998	13,240	153,396	16.00	13.25
75	Office of the Financial Institutions Commissioner	99	17	133	N/A	0.25
78	Department of Housing	101	1,183	26,613	13.00	11.75
81	Department of Education	7,386	3,774	30,289	N/A	0.50
87	Department of Sports and Recreation	333	543	1,869	6.00	1.75
89	Horse Racing Industry and Sport Administration	82	19	123	N/A	0.25
95	Mental Health and Addiction Services Administration	1,763	1,903	9,165	19.00	1.00
96	Women's Advocate Office	57	44	402	N/A	0.75
105	Industrial Commission	49	152	1,050	N/A	3.25
120	Veterans Advocate Office	20	59	628	N/A	3.00
122	Department of the Family	434	1,398	8,738	4.00	3.25
123	Families and Children Administration	315	1,303	15,576	3.00	4.25
124	Minors Support Administration	68	188	2,773	2.00	2.75
126	Vocational Rehabilitation Administration	719	1,910	4,805	N/A	2.75
127	Administration for Socioeconomic Development of the Family	229	530	9,777	3.00	2.25
132	ASUNTOS DE ENERGIA (OF EST POLITICA PUB ENERGETICA)	-	5	49	N/A	N/A
133	Natural Resources Administration	103	238	1,826	N/A	2.25
137	Department of Correction and Rehabilitation	840	387	5,601	6.00	0.50
139	Parole Board	11	16	94	N/A	1.50
141	Telecommunication's Regulatory Board	18	107	258	N/A	6.00
152	Elderly and Retired People Advocate Office	607	108	451	N/A	0.25
153	Advocacy for Persons with Disabilities of the Commonwealth of Puerto Rico	44	40	24	N/A	1.00
155	State Historic Preservation Office	27	27	123	N/A	1.00
220	Correctional Health	9	1	1	2.00	-
221	Emergency Medical Services Corps	61	505	885	N/A	8.25

Unprocessed Invoices Backlog vs Average Monthly Processing Capacity as of October 31st, 2019
(figures in thousands)

ID	Agency	YTD October FY20 Monthly Average Processed Vouchers	Unprocessed Invoices In AP Portal as of 10/31/2019		Currently Processing Invoices	Estimated Months to Process Complete Invoice Backlog
			Total Count	Total Amount		
224	Controller Especial Report Joint Commision	4	11	15	N/A	2.75
226	Joint Special Counsel on Legislative Donations	14	35	62	N/A	2.50
231	Health Advocate Office	25	1	2	N/A	-
241	Administration for the Care and Development of the Childhood	157	140	1,738	N/A	1.00
266	Office of Public Security Affairs	48	113	285	N/A	2.25
272	"Lookup agency name"	25	9	226	N/A	N/A
273	Permit Management Office	-	69	168	N/A	N/A
281	Office of the Electoral Comptroller	12	4	17	N/A	0.25
290	State Energy Office of Public Policy	117	504	922	N/A	4.25
329	Social Economic Development Office	196	238	8,352	N/A	1.25
Total unprocessed invoices (October 31st, 2019)				\$ 386,008		
Ending A/P Balance (October 31st, 2019)				\$ 493,091		
% invoices unprocessed (October 31st, 2019)				78.3%		
Total unprocessed invoices (September 30th, 2019)				\$ 349,369		
Ending A/P Balance (September 30th, 2019)				\$ 553,431		
% invoices unprocessed (September 30th, 2019)				63.1%		
Increase / (Decrease) in total unprocessed invoices from prior month						10.5%

Puerto Rico Department of Treasury | AAFAP
Unprocessed Invoices Backlog Pertaining to Historical Fiscal Year as of September 30th, 2019
(figures in thousands)

ID	Agency	FY20		FY19		FY18		FY17 & Prior		Total	
		Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
14	Environmental Quality Board	155	\$ 622	156	\$ 541	47	\$ 121	-	\$ -	358	\$ 923
15	Office of the Governor	79	118	323	541	179	684	1	0	581	1,343
16	Office of Management and Budget	189	19,241	78	5,185	11	673	2	2	278	25,102
18	Planning Board	33	633	27	27	34	206	-	-	94	865
21	Emergency Management and Disaster Administration Agency	71	1,021	80	2,078	73	930	1	0	224	4,029
22	Office of the Commissioner of Insurance	24	303	15	561	17	223	11	46	56	1,133
23	Department of State	63	88	38	62	6	9	3	6	107	166
24	Department of the Treasury	66	5,301	-	-	-	-	-	-	66	5,301
25	Hacienda (entidad interna - fines de contabilidad)	750	3,917	1,175	7,069	302	1,223	20	21	2,227	12,230
28	Commonwealth Election Commission	104	217	97	104	636	3,321	58	71	837	3,714
30	Office of Administration and Transformation of Human Resources in the Government	8	6	11	23	1	5	-	-	20	34
31	General Services Administration	48	287	97	738	245	799	2	9	390	1,833
34	Investigation, Prosecution and Appeals Commission	3	0	14	11	3	1	-	-	20	12
35	Industrial Tax Exemption Office	38	59	145	343	4	3	-	-	187	405
37	Civil Rights Commission	9	10	7	5	2	9	-	-	18	24
38	Department of Justice	297	3,545	526	3,306	223	506	1	2	1,046	7,359
40	Puerto Rico Police Department	97	391	269	511	195	438	98	8	561	1,348
42	Puerto Rico Firefighters Corps	8	14	64	35	25	15	-	-	97	64
43	Puerto Rico National Guard	349	3,329	239	1,393	60	669	1	0	648	5,391
45	Department of Public Safety	765	2,354	86	783	91	72	2	0	942	3,210
49	Department of Transportation and Public Works	281	2,925	425	6,589	328	6,992	178	1,109	1,034	17,615
50	Department of Natural and Environmental Resources	432	2,621	293	1,293	61	294	6	7	786	4,216
55	Department of Agriculture	161	616	168	426	6	2	-	-	335	1,044
60	Citizen's Advocate Office (Ombudsman)	7	13	7	36	-	-	-	-	14	50
62	Cooperative Development Commission	19	53	17	27	-	-	1	0	36	80
65	Public Services Commission	45	81	33	135	55	40	-	-	133	256
67	Department of Labor and Human Resources	205	598	331	688	148	377	8	90	684	1,753
68	Labor Relations Board	6	17	2	6	1	0	-	-	9	23
69	Department of Consumer Affairs	15	32	24	20	4	2	-	-	43	54
71	Department of Health	3,488	48,892	3,937	38,367	2,807	37,744	3,008	28,393	10,232	153,396
75	Office of the Financial Institutions Commissioner	8	107	8	26	1	0	-	-	17	133
78	Department of Housing	386	8,216	628	17,869	167	526	2	3	1,181	26,613
81	Department of Education	653	21,780	840	3,964	1,483	3,108	798	1,437	2,976	30,289
87	Department of Sports and Recreation	174	142	125	168	223	1,504	21	55	522	1,869
89	Horse Racing Industry and Sport Administration	15	64	4	58	-	-	-	-	19	123
95	Mental Health and Addiction Services Administration	566	4,457	703	2,099	493	2,378	141	231	1,762	9,165
96	Women's Advocate Office	15	154	27	247	2	0	-	-	44	402
105	Industrial Commission	86	647	46	69	20	334	-	-	152	1,050
120	Veterans Advocate Office	29	37	22	532	8	59	-	-	59	628
122	Department of the Family	443	3,934	655	3,196	299	1,608	1	0	1,397	8,738
123	Families and Children Administration	218	2,786	751	11,005	160	2,625	174	159	1,129	15,576
124	Minors Support Administration	50	862	92	1,271	45	638	1	2	187	2,773
126	Vocational Rehabilitation Administration	880	2,665	675	1,450	328	678	27	13	1,883	4,805
127	Administration for Socioeconomic Development of the Family	309	3,912	117	2,563	75	3,061	29	241	501	9,777
132	ASUNTOS DE ENERGIA (OF EST POLITICA PUB ENERGETICA)	-	-	4	48	1	1	-	-	5	49
133	Natural Resources Administration	75	923	84	632	53	220	26	51	212	1,826
137	Department of Correction and Rehabilitation	338	5,387	17	206	17	2	15	6	372	5,601
139	Parole Board	3	4	6	80	6	9	1	0	15	94
141	Telecommunication's Regulatory Board	87	238	19	19	1	1	-	-	107	258
152	Elderly and Retired People Advocate Office	59	270	43	175	6	7	-	-	108	451
153	Advocacy for Persons with Disabilities of the Commonwealth of Puerto Rico	4	11	16	5	20	9	-	-	40	24
155	State Historic Preservation Office	18	99	8	23	1	1	-	-	27	123
220	Correctional Health	1	1	-	-	-	-	-	-	1	1
221	Emergency Medical Services Corps	75	324	183	390	246	171	1	0	504	885
224	Controller Especial Report Joint Commission	2	1	9	14	-	-	-	-	11	15
226	Joint Special Counsel on Legislative Donations	15	26	13	18	7	18	-	-	35	62
231	Health Advocate Office	1	2	-	-	-	-	-	-	1	2
241	Administration for the Care and Development of the Childhood	74	532	58	1,190	8	16	-	-	140	1,738
266	Office of Public Security Affairs	109	280	2	1	2	4	-	-	113	285
272	"Lookup agency name"	9	226	-	-	-	-	-	-	9	226
273	Permit Management Office	18	60	51	109	-	-	-	-	69	168
281	Office of the Electoral Comptroller	3	14	1	3	-	-	-	-	4	17
290	State Energy Office of Public Policy	9	10	401	777	94	135	-	-	504	922
329	Social Economic Development Office	91	2,546	117	3,930	28	1,875	2	0	236	8,352
Total		12,638	\$ 158,020	14,409	\$ 122,676	9,358	\$ 73,348	4,640	\$ 31,964	36,405	\$ 386,008