

Requirement 2 (E)



Puerto Rico Department of Treasury

Invoice Processing KPI's

For the month of October FY21

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.*
- *Continuous efforts are being made to enhance data integrity progressively.*

Puerto Rico Department of the Treasury
Central Accounting Area
Invoice Processing Capacity Analysis
October 31, 2020

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 31, 2020

(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	\$183,482	7.50
123	Families and Children Administration	25,925	7.50
25	Hacienda (entidad interna - fines de contabilidad)	24,922	6.75
122	Department of the Family	21,488	5.50
49	Department of Transportation and Public Works	20,688	5.50
Total Top Five		\$276,504	
All Other		190,672	
Total All Agencies		\$467,176	

Top Five Agencies by Estimated Months to Process Complete Invoice Backlog

ID	Agency	Total (\$)	Est. Months to Process
		Unprocessed Invoices	Complete Backlog
21	Emergency Management and Disaster Administration Agency	\$4,563	100.50
42	Puerto Rico Firefighters Corps	64	99.00
65	Public Services Commission	270	84.50
40	Puerto Rico Police Department	1,051	44.50
31	General Services Administration	4,138	14.75
Total Top Five		\$10,085	
All Other		457,091	
Total All Agencies		\$467,176	

Historical Information

	Aug	Sep	Oct
Total Unprocessed Invoices	\$449,787	\$449,051	\$467,176
Ending A/P Balance	652,528	616,191	553,111
Percentage of Invoices Unprocessed	69%	73%	84%
MoM Change in Unprocessed Invoices	N/A	(0.2)%	4.0%

Puerto Rico Department of Treasury | AAFAF

Unprocessed Invoices Backlog vs Average Monthly Processing Capacity as of October 31, 2020

(figures in thousands)

ID	Agency	LTM October FY21	Unprocessed Invoices In AP Portal as of 10/31/2020		Personnel	Estimated Months to
		Monthly Average Processed Vouchers	Total Count	Total Amount	Currently Processing Invoices	Process Complete Invoice Backlog
14	Environmental Quality Board	128	457	\$ 1,448	2.00	3.50
15	Office of the Governor	135	714	1,591	N/A	5.25
16	Office of Management and Budget	72	51	613	N/A	0.75
18	Planning Board	46	113	555	N/A	2.50
21	Emergency Management and Disaster Administration Agency	5	452	4,563	N/A	100.50
22	Office of the Commissioner of Insurance	30	57	1,210	N/A	2.00
23	Department of State	115	159	777	N/A	1.50
24	Department of the Treasury	269	72	4,794	N/A	0.25
25	Hacienda (entidad interna - fines de contabilidad)	435	2,917	24,922	N/A	6.75
28	Commonwealth Election Commission	172	828	4,585	N/A	4.75
30	Office of Administration and Transformation of Human Resources in the Government of PR	13	20	18	N/A	1.50
31	General Services Administration	30	438	4,138	N/A	14.75
34	Investigation, Prosecution and Appeals Commission	9	35	17	N/A	3.75
35	Industrial Tax Exemption Office	-	291	555	N/A	N/A
37	Civil Rights Commission	12	35	52	N/A	2.75
38	Department of Justice	264	1,499	11,302	N/A	5.75
40	Puerto Rico Police Department	13	598	1,051	N/A	44.50
42	Puerto Rico Firefighters Corps	1	99	64	N/A	99.00
43	Puerto Rico National Guard	506	809	5,073	N/A	1.50
45	Department of Public Safety	1,273	2,333	17,567	N/A	1.75
49	Department of Transportation and Public Works	289	1,561	20,688	10.00	5.50
50	Department of Natural and Environmental Resources	200	1,663	7,715	2.00	8.25
55	Department of Agriculture	70	579	1,670	N/A	8.25
60	Citizen's Advocate Office (Ombudsman)	15	11	30	N/A	0.75
62	Cooperative Development Commission	15	28	79	N/A	2.00
65	Public Services Commission	2	155	270	N/A	84.50
67	Department of Labor and Human Resources	311	680	5,914	7.00	2.25
68	Labor Relations Board	12	3	14	N/A	0.25
69	Department of Consumer Affairs	67	74	95	N/A	1.00
71	Department of Health	2,074	15,704	183,482	16.00	7.50
75	Office of the Financial Institutions Commissioner	52	51	627	N/A	1.00
78	Department of Housing	97	636	8,224	13.00	6.50
81	Department of Education	8,619	3,466	16,742	N/A	0.50
87	Department of Sports and Recreation	178	617	7,560	6.00	3.50
89	Horse Racing Industry and Sport Administration	95	63	245	N/A	0.75
95	Mental Health and Addiction Services Administration	1,380	2,006	7,148	19.00	1.50
96	Women's Advocate Office	47	47	202	N/A	1.00
105	Industrial Commission	51	178	973	N/A	3.50
120	Veterans Advocate Office	47	92	2,032	N/A	2.00
122	Department of the Family	374	2,067	21,488	4.00	5.50
123	Families and Children Administration	252	1,900	25,925	3.00	7.50
124	Minors Support Administration	62	168	3,448	2.00	2.75
126	Vocational Rehabilitation Administration	517	2,159	6,381	N/A	4.25
127	Administration for Socioeconomic Development of the Family	247	718	12,657	3.00	N/A
132	ASUNTOS DE ENERGIA (OF EST POLITICA PUB ENERGETICA)	-	5	49	N/A	N/A
133	Natural Resources Administration	17	217	2,025	N/A	N/A

Puerto Rico Department of Treasury | AAFAF

Unprocessed Invoices Backlog vs Average Monthly Processing Capacity as of October 31, 2020

(figures in thousands)

ID	Agency	LTM October FY21	Unprocessed Invoices In AP Portal as of 10/31/2020		Personnel	Estimated Months to
		Monthly Average Processed Vouchers	Total Count	Total Amount	Currently Processing Invoices	Process Complete Invoice Backlog
137	Department of Correction and Rehabilitation	898	599	12,427	6.00	N/A
139	Parole Board	12	15	14	N/A	N/A
141	Telecommunication's Regulatory Board	1	131	427	N/A	N/A
152	Elderly and Retired People Advocate Office	500	269	636	N/A	N/A
153	Advocacy for Persons with Disabilities of the Commonwealth of Puerto Rico	16	57	103	N/A	N/A
155	State Historic Preservation Office	21	51	377	N/A	N/A
220	Correctional Health	36	18	66	2.00	N/A
224	Controller Especial Report Joint Comission	4	7	2	N/A	N/A
226	Joint Special Counsel on Legislative Donations	16	50	76	N/A	N/A
231	Health Advocate Office	16	16	6	N/A	N/A
241	Administration for the Care and Development of the Childhood	118	148	1,552	N/A	N/A
266	Office of Public Security Affairs	24	136	258	N/A	N/A
271	Office of Information and Communication Technologies	4	148	20,314	N/A	N/A
272	Office of the Inspector General	23	48	194	N/A	N/A
273	Permit Management Office	-	131	326	N/A	N/A
279	COM APELATIVA SERVICIO PUBLICO	11	15	44	N/A	N/A
281	Office of the Electoral Comptroller	16	10	25	N/A	N/A
290	State Energy Office of Public Policy	1	511	914	N/A	N/A
298	Public Service Regulatory Board	84	111	223	N/A	N/A
329	Social Economic Development Office	68	419	8,615	N/A	N/A
Total unprocessed invoices (October 31, 2020)				\$	467,176	
Ending A/P Balance (October 31, 2020)				\$	553,111	
% invoices unprocessed (October 31, 2020)					84.5%	
Total unprocessed invoices (September 30, 2020)				\$	449,051	
Ending A/P Balance (September 30, 2020)				\$	616,191	
% invoices unprocessed (September 30, 2020)					72.9%	
Increase / (Decrease) in total unprocessed invoices from prior month						4.0%

Puerto Rico Department of Treasury | AAFAF
Unprocessed Invoices Backlog Pertaining to Historical Fiscal Year as of October 31, 2020
(figures in thousands)

ID	Agency	FY21		FY20		FY19		FY18		FY17 & Prior		Total	
		Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
14	Environmental Quality Board	89	459	169	\$ 721	152	\$ 147	47	\$ 121	-	\$ -	457	\$ 1,448
15	Office of the Governor	72	215	156	239	309	456	176	681	1	0	714	1,591
16	Office of Management and Budget	38	593	8	18	4	2	1	0	-	-	51	613
18	Planning Board	73	497	25	42	9	4	6	12	-	-	113	555
21	Emergency Management and Disaster Administration Agency	32	258	271	1,883	75	1,491	73	930	1	0	452	4,563
22	Office of the Commissioner of Insurance	15	217	16	381	14	560	4	7	8	45	57	1,210
23	Department of State	63	405	53	304	37	62	5	6	1	0	159	777
24	Department of the Treasury	72	4,794	-	-	-	-	-	-	-	-	72	4,794
25	Hacienda (entidad interna - fines de contabilidad)	595	9,558	1,098	8,230	932	6,355	274	759	18	20	2,917	24,922
28	Commonwealth Election Commission	440	4,111	63	110	67	70	252	288	6	6	828	4,585
30	Office of Administration and Transformation of Human Resources in the Government	12	7	6	5	1	0	1	5	-	-	20	18
31	General Services Administration	28	592	69	2,025	96	731	243	781	2	9	438	4,138
34	Investigation, Prosecution and Appeals Commission	11	5	7	1	14	11	3	1	-	-	35	17
35	Industrial Tax Exemption Office	8	8	134	201	145	343	4	3	-	-	291	555
37	Civil Rights Commission	17	31	9	8	7	5	2	9	-	-	35	52
38	Department of Justice	376	5,049	388	2,848	512	2,908	222	494	1	2	1,499	11,302
40	Puerto Rico Police Department	-	-	45	175	268	467	187	401	98	8	598	1,051
42	Puerto Rico Firefighters Corps	1	0	9	14	64	35	25	15	-	-	99	64
43	Puerto Rico National Guard	496	2,948	291	1,979	17	93	5	52	-	-	809	5,073
45	Department of Public Safety	1,254	8,696	871	7,970	116	827	91	72	1	2	2,333	17,567
49	Department of Transportation and Public Works	171	1,569	458	4,490	429	6,630	326	6,985	177	1,014	1,561	20,688
50	Department of Natural and Environmental Resources	382	2,647	840	3,790	342	981	56	278	43	21	1,663	7,715
55	Department of Agriculture	151	222	263	1,035	159	411	6	2	-	-	579	1,670
60	Citizen's Advocate Office (Ombudsman)	7	25	2	5	2	0	-	-	-	-	11	30
62	Cooperative Development Commission	12	48	3	12	12	19	-	-	1	0	28	79
65	Public Services Commission	-	-	70	102	31	129	54	38	-	-	155	270
67	Department of Labor and Human Resources	237	4,122	345	1,621	61	105	36	42	1	24	680	5,914
68	Labor Relations Board	3	14	-	-	-	-	-	-	-	-	3	14
69	Department of Consumer Affairs	21	19	25	54	24	20	4	2	-	-	74	95
71	Department of Health	3,373	49,011	3,176	32,904	3,648	36,921	2,645	36,797	2,862	27,849	15,704	183,482
75	Office of the Financial Institutions Commissioner	34	522	9	80	7	25	1	0	-	-	51	627
78	Department of Housing	322	5,055	309	2,517	2	652	3	0	-	-	636	8,224
81	Department of Education	433	8,257	287	604	557	3,369	1,401	3,093	788	1,419	3,466	16,742
87	Department of Sports and Recreation	184	3,986	73	1,885	118	157	222	1,494	20	37	617	7,560
89	Horse Racing Industry and Sport Administration	44	83	18	160	1	2	-	-	-	-	63	245
95	Mental Health and Addiction Services Administration	715	4,623	277	687	539	1,115	370	625	105	99	2,006	7,148
96	Women's Advocate Office	14	92	16	59	15	51	2	0	-	-	47	202
105	Industrial Commission	74	289	48	289	36	60	20	334	-	-	178	973
120	Veterans Advocate Office	13	476	47	964	24	532	8	59	-	-	92	2,032
122	Department of the Family	383	5,931	734	10,771	648	3,164	301	1,622	1	0	2,067	21,488
123	Families and Children Administration	253	4,750	565	8,475	748	10,918	161	1,630	173	151	1,900	25,925
124	Minors Support Administration	46	1,013	47	1,049	53	826	21	558	1	2	168	3,448
126	Vocational Rehabilitation Administration	514	2,712	652	1,670	656	1,322	317	665	20	12	2,159	6,381
127	Administration for Socioeconomic Development of the Family	234	4,233	289	2,882	90	2,245	74	3,048	31	249	718	12,657
132	ASUNTOS DE ENERGIA (OF EST POLITICA PUB ENERGETICA)	-	-	-	-	4	48	1	1	-	-	5	49
133	Natural Resources Administration	-	-	58	1,129	81	630	52	215	26	51	217	2,025
137	Department of Correction and Rehabilitation	328	7,049	226	5,145	10	207	20	19	15	6	599	12,427
139	Parole Board	8	6	-	-	2	1	4	7	1	0	15	14
141	Telecommunication's Regulatory Board	18	145	98	266	14	15	1	1	-	-	131	427
152	Elderly and Retired People Advocate Office	193	364	32	91	38	174	6	7	-	-	269	636
153	Advocacy for Persons with Disabilities of the Commonwealth of Puerto Rico	19	87	2	2	16	5	20	9	-	-	57	103
155	State Historic Preservation Office	23	235	20	118	7	22	1	1	-	-	51	377
220	Correctional Health	5	30	13	36	-	-	-	-	-	-	18	66
224	Controller Especial Report Joint Commission	3	1	4	1	-	-	-	-	-	-	7	2
226	Joint Special Counsel on Legislative Donations	11	2	21	39	11	17	7	18	-	-	50	76
231	Health Advocate Office	16	6	-	-	-	-	-	-	-	-	16	6
241	Administration for the Care and Development of the Childhood	55	357	60	223	29	962	4	10	-	-	148	1,552
266	Office of Public Security Affairs	7	98	125	155	2	1	2	4	-	-	136	258
271	Office of Information and Communication Technologies	134	19,267	13	1,046	1	1	-	-	-	-	148	20,314
272	Office of the Inspector General	33	69	15	125	-	-	-	-	-	-	48	194
273	Permit Management Office	10	41	70	176	51	109	-	-	-	-	131	326
279	COM APELATIVA SERVICIO PUBLICO	15	44	-	-	-	-	-	-	-	-	15	44
281	Office of the Electoral Comptroller	9	22	-	-	1	3	-	-	-	-	10	25
290	State Energy Office of Public Policy	-	-	21	21	397	764	93	129	-	-	511	914
298	Public Service Regulatory Board	40	129	71	94	-	-	-	-	-	-	111	223
329	Social Economic Development Office	108	577	167	2,319	114	3,844	28	1,875	2	0	419	8,615
Total		12,347	\$ 166,668	13,257	\$ 114,246	11,819	\$ 91,027	7,888	\$ 64,208	4,404	\$ 31,028	49,715	\$ 467,176