Overview

Every week, thousands of payment requests flowed into the Pennsylvania Treasury Department. Yet, hidden among these requests were errors and duplicates, slipping past legacy systems and manual checks. For Treasury staff, the stakes were high: every mistake risked taxpayer dollars and public trust.

Recognizing these challenges, the Treasury partnered with SafePaaS to modernize their processes. By working side by side, they implemented automated controls that improved accuracy, streamlined operations, and ultimately *saved $30 million*.

Challenges

- **High Volume of Errors and Duplicates:** The department routinely handled around 5,000 erroneous payment requests each week, amounting to $60 million in potential losses. These included overpayments, duplicate payments, and payments to incorrect recipients.
- **Fragmented Legacy Systems:** With more than 70 agencies submitting payments, the Treasury relied on a patchwork of home-grown systems and paper-based processes. Each agency had its own preferences and workflows, making it difficult to standardize or automate checks.
- **Manual Controls and Limited Audit Capacity:** Audits were conducted through labor-intensive checklists and batch processing, often sampling only a fraction of transactions. Any change to audit rules required IT intervention, slowing down response times and constraining auditors' ability to adapt to new risks.
- **Operational Bottlenecks:** Unexpected hurdles, such as variations in check printing and mail processing, further complicated workflows. Staffing was heavily focused on data entry and manual review, limiting the Treasury's ability to redeploy talent to higher-value activities.
- **Risk to Public Trust:** Every payment error risked not just financial loss, but also public confidence in the stewardship of taxpayer funds. The scale and complexity of the challenge underscored the need for a solution that could deliver both accuracy and transparency.

Solutions

- **Automated Procure-to-Pay Controls:** SafePaaS replaced error-prone, manual audit checklists with automated transaction controls. This enabled the Treasury to audit 100% of voucher data submitted by all state agencies, rather than relying on limited sampling.
- **Standardization and Integration:** The project involved converting legacy voucher transmittals and payment files across agencies into standardized, electronic formats compatible with SAP and PeopleSoft.
- **Technology Delivery:** The SafePaaS team delivered a transaction monitoring solution supporting seamless integration with PeopleSoft, enabling the processing of over 100,000 payment vouchers per day.
- **Preventative Enforcement:** New functionality was designed to automatically place all suspect vouchers on hold in PeopleSoft until reviewed and approved by auditors.
- **Operational Efficiency:** Automation and standardization reduced transaction processing staffing by approximately 50%. Staff previously dedicated to manual data entry were redeployed to roles requiring higher skill sets.
- **Continuous Risk Assessment:** SafePaaS provided ongoing risk assessment and control monitoring, ensuring that policies and payment limits were enforced dynamically and that any attempts to bypass controls were flagged for review and investigation.

Results

- **Saved $30 Million:** By eliminating erroneous and duplicate payments, the Treasury saved $30 million in 6 months and reduced financial leakage.
- **Increased Efficiency:** Automated controls streamlined payment processing, reduced manual workload, and enabled the Treasury to process billions in transactions more efficiently.
- **Reduced Fraud and Errors:** 100% of payment incidents reviewed before approval, significantly lowering the risk of fraud, error, and improper payments.
- **Restored Public Trust:** By ensuring every dollar is accounted for and every transaction is auditable, the Treasury has reinforced public confidence in government and demonstrated a strong commitment to responsible stewardship of taxpayer funds.
- **Scalable, Future-Ready Operations:** The Treasury is well-positioned to capitalize on early payment discounts, effectively manage cash and investments, and respond quickly to evolving risks and regulations.