

ACCOUNTANT'S COMMENTS

REVISED 03/07/12

SECTION A - OTHER WEAKNESSES

Management of the each State agency is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the agency require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified while performing the agreed-upon procedures but they are not considered violations of State Laws, Rules or Regulations.

Cash Receipts and Revenues

We noted six of the first twenty five cash receipts received subsequent to June 30, 2013 by the Agency were not recorded in the correct accounting period. These cash receipts were related to sub lease payments received related to the month of May 2013 and were not accrued for as of June 30, 2013.

We recommend that the Agency accrue for such transactions and ensure that payments received are posted to the correct accounting period before closing.

Non-Payroll Disbursements and Expenditures

We noted four of the first twenty five non-payroll disbursements paid subsequent to June 30, 2013 by the Agency were not recorded in the correct accounting period. Three of these disbursements were related to lease payments related to the month of May 2013, and one related to services provided for the period ended June 30, 2013. These disbursements were not accrued for as of June 30, 2013.

We recommend that the Agency accrue for such transactions and ensure that all disbursements related to goods and services provided during the fiscal year are posted to the correct accounting period before closing.

Payroll Disbursements and Expenditures

We noted that three of the Agency's twenty five new hires tested during the fiscal year had inadequate documentation of authorizations for the employees' hire upon their "Personnel Action Forms." The forms were missing key signatures from authorized signers in order to complete the approval process.

We recommend that the Agency take the extra time necessary to ensure that all levels of authorization are documented prior to an employee's hire. This will ensure that employees are hired according to controls in place.

Schedule of Federal Financial Assistance

We noted three instances upon "Attachment 5" where the amount of expended funds to sub recipients during the year did not agree with the records reported within "Attachment 1." Amounts expended per "Attachment 5" to the subrecipients' totaled more than all expenditures for that grant within "Attachment 1."

We recommend that the Agency perform a reconciliation between "Attachment 1" and "Attachment 5" prior to completion, to ensure that they are correct and grant information is appropriate.