

Management's Response: Procedures have been developed to ensure that all journal entries and IDT's receive proper signatures and approvals.

C. Approval of interdepartmental Transfers

Auditor's Recommendation: "...that a responsible agency official sign the interdepartmental transfer form authorizing the transfer."

Management's Response: We will enforce existing procedures to ensure that transfers are properly authorized and such authorization is documented.

D. General Ledger System

Auditor's Recommendation: "...that the Department implement procedures to ensure that transactions are properly posted to the accounting system by account number, date, and document number."

Management's Response: The Department has returned to using the SABAR accounting software. This system maintains integrity in tracing transactions to the general ledger. The previous accounting system would not allow the input of a document number thus tracing similar transactions to the general ledger was difficult.

E. Numerical Sequence of Appropriation and Interdepartmental Transfers

Auditor's Recommendation: "...that the Department implement procedures to ensure that all transfers are numbered sequentially."

Management's Response: Logs are maintained to ensure that all appropriation transfers and IDT's are numbered sequentially.

5. MONTHLY RECONCILIATIONS:

Auditor's Recommendation: "...that these procedures be implemented to ensure that the monthly reconciliations be properly and timely performed and carefully reviewed by an appropriate agency official (other than the preparer). Further, we recommend that the preparation and review of the reconciliations be properly documented."

Management's Response: The agency has hired an employee to complete monthly reconciliations on a timely basis. Procedures have been developed to ensure that agency officials review reconciliations on a regular basis and document their review.

6. CLOSING PACKAGES:

A. Operating Leases

Auditor's Recommendation: "...that preparers of the closing packages be provided with all documentation and assistance necessary to complete their jobs correctly and efficiently. We also recommend that preparers be trained in GAAP