

**SOUTH CAROLINA MUSEUM COMMISSION**

**COLUMBIA, SOUTH CAROLINA**

**STATE AUDITOR'S REPORT**

**JUNE 30, 1999**

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

March 29, 2000

The Honorable James H. Hodges, Governor  
and  
Members of the Commission  
South Carolina Museum Commission  
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the governing body and management of the South Carolina Museum Commission, solely to assist you in evaluating the performance of the Commission for the fiscal year ended June 30, 1999, in the areas addressed. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and the associated findings are as follows:

1. We tested selected recorded receipts to determine if these receipts were properly described and classified in the accounting records and internal controls over the tested receipt transactions were adequate. We also tested selected recorded receipts to determine if these receipts were recorded in the proper fiscal year. We compared amounts recorded in the general ledger and subsidiary ledgers to those in the State's accounting system (STARS) as reflected on the Comptroller General's reports to determine if recorded revenues were in agreement. We made inquiries and performed substantive procedures to determine if revenue collection and retention or remittance were supported by law. We compared current year recorded revenues from sources other than State General Fund appropriations to those of the prior year and, using estimations and other procedures, tested the reasonableness of collected and recorded amounts by revenue account. The individual transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Reconciliations and in Receipts and Revenues in the Accountant's Comments section of this report.

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2. We tested selected recorded non-payroll disbursements to determine if these disbursements were properly described and classified in the accounting records, were bona fide disbursements of the Commission, and were paid in conformity with State laws and regulations and if internal controls over the tested disbursement transactions were adequate. We also tested selected recorded non-payroll disbursements to determine if these disbursements were recorded in the proper fiscal year. We compared amounts recorded in the general ledger and subsidiary ledgers to those in various STARS reports to determine if recorded expenditures were in agreement. We compared current year expenditures to those of the prior year to determine the reasonableness of amounts paid and recorded by expenditure account. The individual transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Disbursements in the Accountant's Comments section of this report.
3. We tested selected recorded payroll disbursements to determine if the tested payroll transactions were properly described, classified, and distributed in the accounting records; persons on the payroll were bona fide employees; payroll transactions, including employee payroll deductions, were properly authorized and were in accordance with existing legal requirements; and internal controls over the tested payroll transactions were adequate. We tested selected payroll vouchers to determine if the vouchers were properly approved and if the gross payroll agreed to amounts recorded in the general ledger and in STARS. We also tested payroll transactions for selected new employees and those who terminated employment to determine if internal controls over these transactions were adequate. We compared amounts recorded in the general ledger and subsidiary ledgers to those in various STARS reports to determine if recorded payroll and fringe benefit expenditures were in agreement. We performed other procedures such as comparing recorded current year payroll expenditures to those of the prior year; comparing the percentage change in recorded personal service expenditures to the percentage change in recorded employer contributions; and computing the percentage distribution of recorded fringe benefit expenditures by fund source and comparing the computed distribution to the actual distribution of recorded payroll expenditures by fund source to determine if recorded payroll and fringe benefit expenditures were reasonable by expenditure account. The individual transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Personal Services and Employer Contributions in the Accountant's Comments section of this report.
4. We tested selected recorded journal entries, operating transfers, and appropriation transfers to determine if these transactions were properly described and classified in the accounting records; they agreed with the supporting documentation, were adequately documented and explained, were properly approved, and were mathematically correct; and the internal controls over these transactions were adequate. The individual transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Journal Entries and Transfers in the Accountant's Comments section of this report.

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5. We tested selected entries and monthly totals in the subsidiary records of the Commission to determine if the amounts were mathematically accurate; the numerical sequences of selected document series were complete; the selected monthly totals were accurately posted to the general ledger; and the internal controls over the tested transactions were adequate. The transactions selected for testing were chosen randomly. Our findings as a result of these procedures are presented in BARS Accounting System (BARS) Budgetary Accounts and in Reconciliations in the Accountant's Comments section of this report.
6. We obtained all monthly reconciliations prepared by the Commission for the year ended June 30, 1999, and tested selected reconciliations of balances in the Commission's accounting records to those in STARS as reflected on the Comptroller General's reports to determine if they were accurate and complete. For the selected reconciliations, we recalculated the amounts, agreed the applicable amounts to the Commission's general ledger, agreed the applicable amounts to the STARS reports, determined if reconciling differences were adequately explained and properly resolved, and determined if necessary adjusting entries were made in the Commission's accounting records and/or in STARS. The reconciliations selected for testing were chosen randomly. Our findings as a result of these procedures are presented in Reconciliations in the Accountant's Comments section of this report.
7. We tested the Commission's compliance with all applicable financial provisions of the South Carolina Code of Laws, Appropriation Act, and other laws, rules, and regulations for fiscal year 1999. Our finding as a result of these procedures is presented in Disbursements in the Accountant's Comments section of this report.
8. We reviewed the status of the deficiencies described in the findings reported in the Accountant's Comments section of the State Auditor's Report on the Commission resulting from our engagement for the fiscal year ended June 30, 1998, to determine if adequate corrective action has been taken. Our findings as a result of these procedures are presented in Section A in the Accountant's Comments section of this report.
9. We obtained copies of all closing packages as of and for the year ended June 30, 1999, prepared by the Commission and submitted to the State Comptroller General. We reviewed them to determine if they were prepared in accordance with the Comptroller General's GAAP Closing Procedures Manual requirements; if the amounts were reasonable; and if they agreed with the supporting workpapers and accounting records. Our findings as a result of these procedures are presented in Reconciliations, Petty Cash Bank Accounts and in Closing Packages in the Accountant's Comments section of this report.
10. We obtained a copy of the schedule of federal financial assistance for the year ended June 30, 1999, prepared by the Commission and submitted to the State Auditor. We reviewed it to determine if it was prepared in accordance with the State Auditor's letter of instructions; if the amounts were reasonable; and if they agreed with the supporting workpapers and accounting records. Our findings as a result of these procedures are presented in Reconciliations and in Schedule of Federal Financial Assistance in the Accountant's Comments section of this report.

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We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Further, we were not engaged to express an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express such opinions. Had we performed additional procedures or had we conducted an audit or review of the Commission's financial statements or any part thereof, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor and of the governing body and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Thomas L. Wagner, Jr., CPA  
State Auditor

**ACCOUNTANT'S COMMENTS**

## **SECTION A – STATUS OF PRIOR FINDINGS**

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the Accountant's Comments section of the State Auditor's Report on the Commission for the fiscal year ended June 30, 1998, and dated July 13, 1999. We determined that the Commission has taken adequate corrective action on the findings regarding overtime pay, certain disbursement matters, the timing of deposits, preparation of the inventory closing package, and fixed assets accounting. We determined the other deficiencies described in our prior report still exist; consequently, we have repeated those in Section B herein:

Reconciliations

Bars Accounting System (BARS) Budgetary Accounts

Personal Services and Employer Contributions

Schedule of Federal Financial Assistance

Disbursements

Receipts and Revenues

Journal Entries and Transfers

Closing Packages

Petty Cash



**SECTION B – MATERIAL WEAKNESSES AND/OR VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS**

The procedures agreed to by the agency require that we plan and perform the engagement to obtain reasonable assurance about whether noncompliance with the requirements of State Laws, Rules, or Regulations occurred and whether internal accounting controls over certain transactions were adequate. Management of the entity is responsible for establishing and maintaining internal controls. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Therefore, the presence of a material weakness or violation will preclude management from asserting that the entity has effective internal controls.

The conditions described in this section have been identified as material weaknesses or violations of State Laws, Rules, or Regulations.

## **RECONCILIATIONS**

In previous reports, we've stated that the Commission failed to properly perform monthly reconciliations of balances in its internal accounting system (BARS) and those in the State's system (STARS) for all funds and for all months for fiscal years 1992 through 1998. For fiscal year 1999, we found that the Commission reconciled the General Fund for all fiscal months and reconciled earmarked and federal funds for all months except fiscal month 13. We reviewed the fiscal month 4 reconciliations and noted the following:

1. Revenues and cash balances were not reconciled.
2. Federal funds were not reconciled to the Comptroller General's (CG) 467 report.

The Commission has written procedures for monthly reconciliations; however, they were not followed in fiscal year 1999. Furthermore, because monthly reconciliations were not performed properly, the following problems identified in our revenues and our closing packages procedures were not detected and corrected by the Commission:

1. In a test of reasonableness of sales tax paid, we noted the Commission reported store sales revenues on BARS of \$759,849, but the STARS report showed \$658,658 and the Commission's spreadsheet had \$768,222. [The Commission uses the spreadsheet to record admissions and sales revenues and to compute the taxes due thereon.]
2. We performed a test of reasonableness of admissions tax paid. Therein, we determined that BARS reported admissions revenues of \$317,774 whereas the STARS report showed admissions revenues of \$287,946 and the Commission's admission's spreadsheet showed admission's revenues of \$324,199.
3. In verifying asset additions on the fixed assets closing package, we found that BARS reported fixed asset expenditures of \$140,559, yet on the STARS report fixed asset expenditures totaled \$147,232.
4. We reviewed the Commission-prepared schedule of federal financial assistance and determined that the balances on the schedule differed from federal funds account balances in BARS and STARS and the agency failed to reconcile the differences among the three.

The Commission is not in compliance with the reconciliation and error detection and correction procedures required by Section 2.1.7.20 C. of the Comptroller General's Policies and Procedures Manual (STARS Manual). That manual requires agencies to have clearly documented, written reconciliations of revenues, expenditures, and cash by fund which are timely prepared and signed and dated by the preparer and by the independent reviewer upon approval.

We again recommend that the Commission reconcile each cash, revenue, and expenditure account balance for each fund source in the agency's accounting records to those on STARS reports in accordance with STARS Manual guidelines. These monthly reconciliations should be prepared timely by a knowledgeable employee and independently reviewed by a responsible supervisory employee. Corrections for individual errors discovered during the reconciliation process should be made timely and recorded as separate transactions. We also recommend that the agency develop written procedures for computing and paying the Commission's tax liabilities. Those procedures should explain that the taxes spreadsheet should be prepared after the monthly reconciliations have been performed using reconciled revenues balances to compute the taxes owed for each tax category.

### **BUDGETARY ACCOUNTS**

As we reported for fiscal year 1998, for 1999 we could not determine whether the Commission entered its original fiscal year budget in BARS at the beginning of the year; recorded transfers in the system throughout the year; and produced BARS reports throughout the year. In addition, the budget amounts on BARS differed from those in STARS.

If budget balances are not accurately and timely entered, updated, and reported, the information presented to department heads for budget monitoring is not reliable. We recommend that the Commission post budget entries as they are approved and distribute updated budget reports throughout the year to department heads.

## **PERSONAL SERVICES AND EMPLOYER CONTRIBUTIONS**

### **Supporting Documentation**

In our primary test of personnel and payroll transactions and records, we included 25 employees. For eight of the 25, the Commission could not provide adequate documentation of employee authorizations for all payroll withholdings and deductions. (We reported a similar finding for the prior fiscal year.) Also, for our separate test of the hourly payroll, the Commission could not locate time sheets for two of the 25 employees or the payroll file for another. The Commission does not have written procedures regarding the filing of employee authorizations for payroll withholdings and deductions.

Sound accounting control practices require supporting documentation to be maintained and filed to support all recorded transactions. Again we recommend the Commission establish written file maintenance procedures which cover the initial creation and filing of all documents and the ongoing maintenance and control of files and their contents including temporary removal of the files or of information from the files (e.g., use of document sign-out forms) to ensure that documents can be located at any time by authorized users, as necessary, and retrieved regardless of turnover of employees responsible for the files.

### **Payroll Additions and Terminations**

During our testing of transactions for 25 new hires, we noted the following deficiencies:

1. For five of the 25 employees, the hire dates on documents in the personnel files differed from those on the listing of new hires provided to us by the Commission.

2. The Commission miscalculated the initial pay for three of 25 employees. This resulted in total underpayments of \$50.
3. The Commission could not locate one employee's file.

Our test of the records and payments for 25 employees who terminated employment with the agency in 1999 showed the Commission incorrectly computed the final pay for one employee. This resulted in an overpayment of \$20.

Similar findings regarding documentation of hire dates and computations of initial and final pay were reported for 1998.

The Commission does not maintain documentation of written calculations of initial pay and termination pay for employees. Also, these calculations are not independently reviewed.

Adequate accounting controls include maintenance of accurate and complete personnel and payroll files and documentation, tracing information in payroll calculations to the source records by the payroll preparer, and independent review of payroll computations which include tracing information used in the calculations to the relevant supporting documentation.

We recommend the Commission implement controls to ensure that documentation in personnel and payroll files is complete and accurate and that payments to employees are accurate. The Commission must maintain adequate documentation of each employee's hire date, pay rate, authorization for all payroll withholdings and deductions, time worked for each pay period, holiday and overtime hours, date of termination, unused leave balance, and pay calculations. We recommend that the agency implement procedures to require the payroll preparer to document pay computations and trace each component thereof to the source records and to require the independent reviewer to check the mathematical accuracy of the calculations and trace each component to the supporting documentation.

## **SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

In order to prepare the Statewide Single Audit report for fiscal year 1999, the State Auditor's Office required the Commission to submit a schedule of federal financial assistance for all of the Commission's federal funds. In reviewing the schedule, we noted the Commission's accounting system (BARS), the State's accounting system (STARS), and the federal schedule reported different account balances for the Commission's federal funds. The Commission did not reconcile these differences. [Our 1998 comment described the same deficiency]

We continue to recommend that the Commission provide proper staff training and establish written procedures regarding the preparation of the schedule of federal financial assistance in accordance with the State Auditor's letter of instructions to ensure that amounts are accurate (e.g., reconciled to BARS and STARS).

### **DISBURSEMENTS**

For fiscal year 1999, we tested 25 voucher packages. Our findings regarding those disbursements are detailed below. (We reported similar findings for the prior fiscal year.)

Filing of Disbursement Vouchers: The Commission was unable to locate four disbursement voucher packages selected for testing. An effective internal control system includes written file maintenance procedures.

Timing of Voucher Payments: One invoice was not paid within 30 days, as required by the State's procurement code (South Carolina Code of Laws Section 11-35-45). The original invoice had been either misplaced in accounting or held by another department before it was forwarded to the accounting department.

Travel Advances: Two travel advances made in fiscal year 1999 were not repaid within 30 days after the end of the trip as required by **Part IB, Proviso 72.37.K.** of the 1999 Appropriation Act.

Recommendations: We recommend that the Commission implement improved disbursement controls to ensure there are written disbursement file maintenance and control procedures (e.g., use of sign-out forms); the agency pays all invoices within the required 30 days; it monitors outstanding travel advances; and employees repay travel advances as required within 30 days after the end of the trip or by fiscal year-end, whichever comes first.

## **RECEIPTS AND REVENUES**

### Timing of Deposits

In our fiscal year 1999 tests of receipts controls, we included 25 deposit packages. In those, we were unable to determine if seven cash receipts were deposited in a timely manner because the Commission failed to document the dates the monies were collected. We reported an identical finding resulting from procedures on our 1998 engagement. Because cash is the asset which is most vulnerable to loss, adequate internal control procedures require the agency to initiate accounting control over monies immediately upon collection (e.g., issuance of a cash receipt document, date-stamping the receipts documentation) and to timely deposit receipts. Furthermore, Part IB of each Appropriation Act (Proviso 72.1 of 1999) requires that collections be deposited at least once each week when practical.

We recommend that the Commission implement procedures to ensure that each cash receipt is properly documented including the date of collection and is timely deposited by the accounting department.

## Filing of Receipt Packages

The Commission was unable to locate three deposit packages selected for testing. An effective internal control system includes written file maintenance procedures.

## Admissions and Store Sales Revenues

In tests of the reasonableness of certain recorded tax payment amounts, we estimated the taxes that should have been paid on both store sales and admissions revenues for fiscal year 1999. The actual amounts paid exceeded our estimates by \$1,688 or 11 percent for admissions revenue and \$4,112 or 12 percent for store sales revenue. Upon further review, we determined that the variances were due to the overstatements of admissions and sales revenues recorded in the Museum's spreadsheet. [The Commission uses the spreadsheet to record the revenues for both admissions and store revenues and then compute the taxes thereon that are due on a monthly basis.]

The overpayments occurred because the Commission did not enter reconciled revenues balances on the spreadsheet to compute the tax liabilities. See the Reconciliations comment regarding reconciliations between STARS and BARS balances and use of reconciled balances on the tax liability spreadsheet. We also recommend that a responsible supervisor perform an independent review of the spreadsheet including tracing the revenue amounts thereon to the reconciled balances on the STARS/BARS revenues reconciliation and checking the mathematical accuracy of the spreadsheet computations.

## **JOURNAL ENTRIES AND TRANSFERS**

### Journal Entry Documentation and Approval

Many of the journal entries we tested for fiscal years 1992 through 1998 did not have adequate supporting documentation and explanations that would enable us to determine the propriety and accuracy of the entries and evidence of approval by an independent responsible



reviewer. For fiscal year 1999, the Commission could not locate three of the 25 journal entries selected for testing. For those three, we could not determine whether there was adequate supporting documentation and whether the agency had approved them. Of the 22 entries available, one did not contain adequate documentation and/or an explanation to substantiate the entry. Another had the preparer's signature but no supervisory review/approval signature.

We again recommend that the Commission develop and implement policies and procedures to ensure all journal entries have adequate and appropriate documentation to provide sufficient information to determine the purpose of the entries; to support the account numbers and amounts recorded; to identify the preparer and the preparation date; and to document review, approval, and posting. If a journal entry is correcting a prior entry, the prior entry should be cross-referenced or a copy attached to the correcting entry as supporting documentation. We recommend that the Commission develop and adhere to written maintenance and retention policies and access controls for each type of document and its supporting documentation.

#### Appropriation Transfer Documentation and Approval

For fiscal year 1999, we tested a sample of 25 recorded appropriation transfers and noted the following deficiencies:

1. No one other than the preparer signed and approved 18 transfers.
2. Ten transfers had no or inadequate supporting documentation referenced or attached.
3. Debits did not equal credits for four of the transfers.
4. The Commission did not locate one transfer document we selected for testing.

Similar findings were described in our 1998 report.

Each transfer should be entered in BARS at the time it is approved and recorded on STARS. The approval process should include procedures to ensure the propriety of account codes and mathematical accuracy. We again recommend that the purpose of the transfer be

explicitly stated and that each transfer be signed and dated by both the preparer and the approver. As stated previously, document access controls should be implemented and all documents should be filed in a manner to permit retrieval as needed.

## **CLOSING PACKAGES**

### **Introduction**

The State Comptroller General obtains certain generally accepted accounting principles (GAAP) information from agency-prepared closing packages to use in preparing the State's financial statements. The GAAP Closing Procedures Manual provides guidance for the preparation of closing packages, assigns responsibility for their accuracy, and requires maintenance of workpapers to support every amount on every closing package form.

### **Cash**

The Commission maintains separate petty cash bank and drawer accounts for both the store/admissions change fund and the miscellaneous expenses petty cash fund. The bank accounts are composite reservoir accounts approved by the State Treasurer.

The Commission has incorrectly reported amounts on the closing packages since 1992 for the two bank accounts. For 1998 and again in 1999, the Commission incorrectly reported the authorized amounts for the drawer accounts on the closing package.

The Commission reported a petty cash drawer balance of \$600 for the accounting department on the cash and investments closing package; the agency also reported this amount as the Museum store petty cash bank account.

We continue to recommend that the Commission implement procedures to ensure it properly reports balances for all cash accounts on closing packages.

## Fixed Assets

As for 1998, for the current year, the Commission was unable to support amounts on the fixed assets closing package for asset additions and the ending capital asset balance and for STARS 06XX (equipment) and 07XX (permanent improvements) expenditures not meeting the Commission's capitalization criteria.

We repeat our recommendations that the Commission properly update its fixed assets detail listing and establish procedures to ensure fixed asset records are maintained accurately thereafter; closing packages are completed according to the Comptroller General's instructions; and adequate supporting documentation is maintained for all closing package amounts.

## **PETTY CASH BANK ACCOUNTS**

The Commission charges admission to the Museum and operates a souvenir shop, the Cotton Mill Exchange. Often when it constructs exhibits, small amounts of cash are needed to purchase supplies to complete them. For these reasons and other normal operating needs, the Commission received approval from the State Treasurer's Office and the State Auditor's Office for petty cash drawer and bank accounts.

The book balances for the imprest bank accounts should be \$800 for the store/admissions fund and \$515 for the miscellaneous expenses fund (which are the approved imprest bank amounts and the balances on the June 30, 1991, bank statements and all bank statements since then). However, the book amounts and the bank balances differ for the two bank accounts. We determined the differences have resulted from the Commission's failure, since fiscal year 1992, to reimburse expenses and correct a reimbursement error between the two bank accounts. Even though the accounts have had no activity since July 1992, they remain open. (These same findings were reported in 1998.)

We again recommend that the Commission correct the items noted above and evaluate the need for these bank accounts. The accounts should be closed if they are not going to be used. If they are used, the Commission should design and implement the necessary policies and controls over their use, such as monthly bank reconciliations.

## **MANAGEMENT'S RESPONSE**

**MANAGEMENT'S RESPONSE TO THE AGREED-UPON PROCEDURES FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

**RECONCILIATIONS**

Each cash, revenue, and expenditure account balance for each fund source is now reconciled with STARS in accordance with STARS Manual guidelines. The Controller reviews all reconciliations as well as journal vouchers.

**BARS ACCOUNTING SYSTEM BUDGETARY ACCOUNTS**

Beginning in FY01 the Commission changed over to the State Agency Budgetary Accounting and Reporting (SABAR) software system. The original budget for FY01 was entered in SABAR and monthly reconciliations between STARS and SABAR will be prepared and reviewed. Budget reports will be distributed to the department heads at least monthly.

**PERSONAL SERVICES AND EMPLOYER CONTRIBUTIONS**

**SUPPORTING DOCUMENTATION:** Procedures have been implemented to prevent the removal of any original records without written documentation of the original record's location.

**PAYROLL ADDITIONS AND TERMINATIONS:** Procedures have been implemented to ensure accuracy when preparing payroll records. Payroll computations are also reviewed by someone other than the preparer.

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Reconciliations of federal funds between STARS and SABAR are now being prepared and reviewed on a monthly basis.

**DISBURSEMENTS**

Procedures have been implemented to prevent the removal of any original records without written documentation of the original record's location. Procedures have also been implemented to monitor invoices and travel advances to ensure prompt payment.

**RECEIPTS AND REVENUES**

**TIMING OF DEPOSITS**

Procedures have been implemented to ensure cash receipts are deposited in a timely manner. All cash is deposited at least within one week of receipt in accordance with Part IB of each Appropriation Act (Proviso 72.1 of 1999).

**FILLING OF RECEIPT PACKAGES**

Procedures have been implemented to prevent the removal of any original records without written documentation of the original record's location.

#### **ADMISSION AND STORE SALES REVENUES**

Admissions and Sales Tax payments are currently reconciled and reviewed. Procedures have been implemented to monitor the payments to ensure that they are reasonable in relation to the total revenue recorded.

#### **JOURNAL ENTRIES AND TRANSFERS**

Procedures have been implemented to ensure that all source documents (including journal entries, journal vouchers, budget entries and Appropriation Transfers) are adequately supported and approved. Also, procedures have been implemented to prevent the removal of any original records without written documentation of the original record's location.

#### **CLOSING PACKAGES**

##### **CASH**

Procedures have been implemented to ensure amounts reported on closing packages are accurate.

##### **FIXED ASSETS**

With the implementation of the SABAR software system, the fixed assets records are currently being entered into the system. Additionally, written policies and procedures are being incorporated into the Commission's Policies and Procedures Manual.

#### **PETTY CASH BANK ACCOUNTS**

Unused accounts have been closed. For the remaining accounts, monthly bank reconciliations are now prepared and reviewed.