

**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.