

# **MATERIAL WEAKNESSES**

## **FAILURE TO TIMELY INVOICE PER AGREEMENT:**

An invoice was not sent to Woodruff-Roebuck Water District in May 1999 for the \$98,125 payment that was due. This resulted in the Department not receiving a payment during fiscal year 1999 which has resulted in a loss of interest income that could have been earned if the payment had been received on time.

### **RECOMMENDATION:**

We recommend billings be sent timely for accounts 30 days prior to due date.

### **RESPONSE:**

There was a change in the personnel of the office which initiates the paper work to generate a billing for the Woodruff-Roebuck Water District. Since year-end a charge memorandum has been received in the accounting department to invoice the water district for their payment. The new accounting system has automated this process by establishing agreements and billing cycles to record the outstanding balances, and bill according to set time frames.

## **FAILURE TO RECORD DELETIONS IN GENERAL LEDGER FOR ABANDONED CONSTRUCTION IN PROGRESS**

The Department recorded deletions of \$243,727 in construction cost for abandoned projects in its construction in progress subsidiary ledger but not in its general ledger.

### **RECOMMENDATION:**

We recommend that the subsidiary ledger for construction in progress be reconciled to the general ledger control accounts as of each month end to ensure entries are made to both the subsidiary ledger and general ledger on a timely basis.

### **RESPONSE:**

We concur with the recommendation. The subsidiary ledgers are reconciled to the general ledger on a monthly basis. This was an oversight due to the lateness of the closing of the books and the push to complete the year-end. We will ensure the subsidiary ledgers and the general ledgers are in balance.

## **MISSING DOCUMENTATION IN EMPLOYEE PERSONNEL FILE**

Our test disclosed one employee's personnel file did not include form I-9. This results in the personnel file not including all required documentation.

### **RECOMMENDATION:**

We recommend that newly hired employees not be permitted to start work until all required documentation to make the personnel file complete is received.

### **RESPONSE:**

We have reviewed our procedures with regard to obtaining I-9 forms from all employees. The absence of an I-9 form from one such file appears to have been an isolated occurrence in the field, and we believe that adequate procedures are in place to ensure compliance with the law. We will reemphasize the importance of obtaining such documentation to all hiring units.