

and the GAAP Manual and instructions. We further recommend that the Department adhere to the policies mandated by the Comptroller General by including copier leases in the Operating Leases Summary Form. We also recommend that GAAP Closing Packages are carefully prepared and reviewed to ensure accuracy.”

Management’s Response: Procedures have been implemented to ensure that preparers of the operating leases and all closing packages have adequate instructions to complete their assignments correctly and that closing packages are reviewed for accuracy.

B. Reviewer Checklists

Auditor’s Recommendation: “...that the Department prepare and retain reviewer checklists in accordance with the guidelines provided by the GAAP Manual.”

Management’s Response: Procedures are now being enforced to ensure the reviewer’s checklist is attached to all Closing Packages.

C. Accounts Payable

Auditor’s Recommendation: “... that adequate supporting documentation be prepared and retained by the Department with GAAP Closing Packages.”

Management’s Response: Procedures have been enforced to ensure that all closing packages will maintain adequate support documentation.

D. Fixed Assets

Auditor’s Recommendation: “...that the agency improve its Fixed Assets System to include regular inventories of fixed assets and the proper recording of additions and disposals, other changes, and adjustments/error corrections on the detail fixed assets listing and changes to the general ledger balances. We also recommend that the agency reconcile balances on the detail listing to general fixed asset, balances and remit unexpended bond proceed balances to the State for completed construction projects. Further, we recommend that the agency develop and retain adequate documentation for all amounts included in the closing packages.”

Management’s Response: The Fixed Assets package updates could not be tracked to the general ledger in as much as the Accounting System used for that year is severely limited both for usage and tracking. The agency currently uses the SABAR Fund Accounting System which has adequate audit and review queries. Adequate support documentation will be included in all Closing Packages.

E. Compensated Absences

Auditor’s Recommendation: “...that the Department implement procedures to ensure that source documents are accurate and entered correctly into the