

At the time of acquisition, the Department has not determined which items will be utilized by the internal service fund. During preparation for issue, items are issued to custodians in the internal service fund. Transfer of acquisition and preparation cost are accomplished at this time, therefore the proper fund incurs the cost. When items are no longer utilized by the internal service fund, they are transferred to the Equipment Depot for reassignment or disposal. The implementation of the accounting system in fiscal year 1999-2000 will account for all equipment in an internal service fund and will address this reportable condition.

FAILURE TO TIMELY RECORD CASH RECEIPTS

Our testing of cash receipts disclosed that certain rental collections for the month of October 1998 – April 1999 were all receipted and deposited in April 1999. State law requires all collections received by a State agency to be deposited weekly.

RECOMMENDATION:

We recommend that the Department take those necessary steps to ensure all collections received by the Department are deposited weekly as required by State Law.

RESPONSE:

The Department concurs with the recommendation. The proper persons have been notified of the correct procedure to handle the receipting of funds. A policy is in place and future rental collections will be handled in a timely manner.