Repeat Findings & CAP’s

County Auditor’s Spring Conference
May 2018

AUDITS:

• Financial Statements
• AFR in Gateway
• Federal Programs
• Schedule of Federal Expenditures (SEFA)
• Compliance
### Internal Controls

- **Objectives include:**
  - **Operations:**
    - Safeguarding of assets
  - Financial Reporting
    - AFR including Grant schedule
  - Compliance with laws and regulations

### Findings

- **Deficiency in Internal Controls**
- **Non-Compliance**
  - Statute
  - Uniform Compliance Guidelines
  - Local policy
  - Grant Requirements
Report of Findings

• Verbal Comments (MFC)
• Management Letter
• Comments in Audit Report
  • Federal Findings
  • Audit Results and Comments (ARC)

Purpose of Findings

• Need for Resolution
• Understand the problem
• Take corrective action – often requires establishing or modifying internal controls.
Repeat Findings

• IC 5-11-5-1.5
  • Finding in Report – Take corrective action
  • Finding is repeated in subsequent Report:
    • Corrective Action Plan filed with SBOA
    • Follow up by SBOA

Corrective Action Plan

• Packet will be given at exit conference
• Templates
• 10 days to respond
  • Can ask for more time
• Six months to implement
  • Can ask for more time
Root Cause

• The first step is to fully understand the issue.
• Second step to determine the root cause.
• The power of “Why”

Root Cause

• Problem – Bank Reconciliation not done.
  • Why – no one completed it
  • Why – no one was assigned to complete it
  • Why- there are no procedures in place to assign the work and monitor the work
Corrective Action Plan

• Template on website
• Description of the corrective action
• Timeline for implementation
  • Focus on root cause, not on effect.

Corrective Action Plan

• SBOA review and approval
• Report when implementation is complete.
• SBOA follow up
  • Send in documents
  • On site follow up
INTERNAL CONTROLS

State Board of Accounts 2018

Internal Controls

• First step was to understand internal control
• Second step is an ongoing process
  • Establish policies (in writing)
  • Modify as needed over time
Five Components

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Resources

- Contact Stephanie or Lori
- State Board of Accounts website
  - Internal Control Manual
  - Uniform Compliance Guidelines
  - Best Practices (to be expanded)