Repeat Findings & CAP’s

County Treasurer’s Annual Conference
August 2018

AUDITS

- Financial Statements
  - Annual Financial Report 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

• 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)