



STATE CONTROLLER'S BULLETIN

Edward Karass
State Controller

Rebecca M. Wyke, Commissioner
Administrative & Financial Services

Bulletin #FY06-07

SUBJECT: Responses to fiscal year 2005 Single Audit findings

DATE: February 14, 2006
TO: All Departments and Agencies
FROM: Edward A. Karass, State Controller
Rebecca M. Wyke, Commissioner of Administrative and Financial Services

The Department of Audit will soon begin communicating draft fiscal year 2005 Single Audit findings to agency heads. The Office of the State Controller is prepared to help you. If you are unsure of how to respond to a particular issue raised, please contact the Controller's Office Division of Internal Audit or your Liaison in Financial Reporting and Analysis for technical assistance.

Responses to the findings will be handled **very differently** this year by the Department of Audit. Your response submission for each individual finding must contain the following elements:

1. The statement "We agree with the finding" or "We do not agree with the finding". If you do not agree with the finding, you must write why you do not agree. We will review it, assist you with any changes necessary and instruct you to send it to the Department of Audit when the OSC is satisfied with the response. This response will be published in the Single Audit Report with each individual finding.
2. A corrective action plan made up of at least the four elements below. This response will go to the Controller's Office and will be compiled into a consolidated corrective action plan for submission to the federal government, inclusion in the Single Audit Report, and for submission to the Governor and Legislature for their review. The Corrective Action Plan as compiled by the OSC will be published in the Single Audit Report in a section separate from the findings.
 - a. A plan of what will be or has been done to correct the specific issues and the systemic causes. This might include the need for federal report revisions, transfers of expenditures, etc. It will also most likely involve modification of your system of controls.
 - b. The timeline for this action.
 - c. Your plan for addressing and/or your position on any questioned costs included in the finding.
 - d. The name and phone number of the primary contact for corrective action.

Submit both of the above to the Controller's Office **within 5 business days of receipt of the draft finding from the Department of Audit**. Please use the following email address in the global directory:

AuditingOSC, Internal (Internal.AuditingOSC@maine.gov)

The corrective action plan (labeled #2 above) will be the focus of the State Legislature and other stakeholders in the process. Please note that it is the intention of the OSC to ensure that Departments, agencies, and service centers take corrective action to resolve the finding(s). The OSC will make field visits to each affected Department, agency, or service center to ensure corrective action plans are implemented.

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