



STATE CONTROLLER'S BULLETIN

Terry Brann
State Controller

H. Sawin Millett, Jr., Commissioner
Administrative & Financial Services

Bulletin #FY13-04

SUBJECT: Department & Agency Responses to Audit Findings and Recommendations

DATE: February 8, 2013

TO: Department and Agency Financial Officers
Service Center Directors

FROM: Terry Brann, State Controller

CC: H. Sawin Millett, Jr., Commissioner
Sandra Harper, Associate Commissioner

The Office of the State Controller continues to take steps to strengthen financial management and accountability throughout state government. The published findings and recommendations contained in the Statewide Single Audit Report prepared by the State Auditor are an area of concern for all of us. We have been working with the Auditor over the past several years to develop a comprehensive plan to deal with the responses to findings as well as the Corrective Action Plan that the State Controller is responsible for compiling and submitting to the federal government. In order to provide technical assistance to you in areas of corrective action plan development, proper accounting, reporting, and internal control over the various funding sources and business processes within your agency, please submit your response to the draft findings and recommendations of the Auditor to Shirley Browne, CIA, Director of Internal Audit for her review and ultimate submission to the Department of Audit.

Your responses should include the following elements:

1. View of responsible officials to state whether the Department agrees or disagrees with the finding. If you disagree with a finding or a component of the finding please provide an explanation in your response. Disagreements should be brought to the auditor's attention at the exit conference and supporting documentation to refute the finding should be made available to the auditor at this time.

2. Full corrective action plan containing the following elements:

- **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 also most likely involves the modification of your system of internal controls
- **The timeline for this action**
- **Your plan for addressing and/or your position on any questioned costs included in the finding**
- **The name and phone number of the primary contact for the corrective action**

In order for us to submit your responses to the Department of Audit timely, please prepare your responses to the draft findings and recommendations and reply within 7 business days of receipt of the correspondence from the Auditor. Once we receive your responses, we will review them and assist you with the resolution if necessary.

If you are unsure of how to respond to a particular issue raised by the Auditor, please contact Shirley Browne of the Controller's Office for technical assistance, 207-215-4235.