



STATE CONTROLLER'S BULLETIN

Douglas E. Cotnoir
Acting State Controller

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

Bulletin #FY14-04

SUBJECT: Department & Agency Responses to Audit Findings and Recommendations

DATE: January 23, 2014

TO: Department and Agency Financial Officers
Service Center Directors

FROM: Douglas E. Cotnoir, Acting State Controller

CC: H. Sawin Millett, Jr., Commissioner
Terry Brann, Deputy 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 Office of the State Auditor.

Your responses should include the following elements:

1. View of authorized, responsible officials stating whether the Department agrees or disagrees with the finding. Respond directly to the finding and its recommendation(s). 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 as soon as possible, e.g., during audit, exit conference. 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:

- **Actions that management commits to take or has taken 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**
- **A realistic timetable for implementation. When setting a realistic timetable important factors to consider are significance of finding, cost of remediation and availability of resources.**
- **A statement of your position on any questioned costs and a plan to address questioned costs, if necessary.**
- **The name and phone number of the primary contact for the corrective action. Ensure the named individual has the authority to implement corrective action.**

Please make your responses clear and concise. Exclude information that is not pertinent to the finding or its corrective action plan. Identify specific positions responsible for implementation if applicable.

In order for us to submit your responses to the Office of the State Auditor timely, please provide your responses to the draft findings and recommendations and reply within one week of receipt of the correspondence from the Auditor. We will review them and assist you with the resolution if necessary.

If you have any questions, concerns or need assistance regarding any issue raised by the Auditor, please contact Shirley Browne of the Controller's Office, shirley.browne@maine.gov.