

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
ANNUAL REPORT ON GOALS, OBJECTIVES AND POLICIES

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Program ID/Title: AGS-104/Internal Post-Audit

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I. Goal

To achieve compliance with State laws by the State's Executive departments and agencies on accounting procedures and internal control systems through financial and compliance audits.

II. Objectives and Policies

A. #1 – To ensure that the State's Executive departments and agencies maintain the accounting and internal control systems and that the systems function effectively as designed.

B. #2 – To schedule an adequate audit cycle to ensure that every department in the executive branch will be audited at least once every six years.

III. Action Plan and Timetable

A. Objective/Policy #1 – To ensure that the State's Executive departments and agencies maintain the accounting and internal control systems and that the systems function effectively as designed.

1. Required Actions.

a. Define the target group.

b. Establish for the fiscal year a schedule of annual and non-annual audits.

c. Report the results of the monitoring.

2. Past Year Accomplishments.

a. The target group was defined.

b. 38 of 39 scheduled audits of departments and agencies covering 17 departments were completed on time.

c. 25 of 39 departments and agencies' audit reports identified accounting system or the internal controls not functioning

effectively as designed audit findings. The departments and agencies developed and implemented corrective action plans to resolve the findings.

- d. 168 total audit findings were reported for the fiscal year. This is a 15% decrease from the previous year.
 - e. 65 new audit findings were reported for the fiscal year. This is a 41% decrease from the previous year.
 - f. 98 audit findings were resolved during the fiscal year. 50% of the total previous year's audit findings were resolved.
 - g. Follow-up will be made with the remaining department to ensure completion of the scheduled audit in a timely manner.
3. One Year
- a. Define the target group.
 - b. Monitor that the target group completes its scheduled audits on time.
 - c. Review the completed audit reports as to non compliance with established accounting procedures and internal controls and that written policies and procedures are functioning as designed.
 - d. Report on the number of total audit findings, new audit findings, and audit findings resolved for the fiscal year.
 - e. Conduct follow-up inquiries as to scheduled audits not completed.
4. Two Years – Continue the implementation timetable of the first year.
5. Five Years – Continue the implementation timetable of the prior years.
- B. Objective/Policy #2 – To schedule an adequate audit cycle to ensure that every department in the executive branch will be audited at least once every six years.

- 1. Required actions.
 - a. Define the target group.
 - b. Establish a schedule of annual and non-annual audits.
 - c. Report the results of the monitoring.
- 2. Past Year Accomplishments.

- a. The target group to be audited was defined.
 - b. A schedule of 39 annual and 13 non-annual audits was established.
 - c. 38 of 39 annual audits of departments and agencies and 13 of 252 non-annual audits of DOE schools were planned and completed during the fiscal year.
 - d. The average number of years between audits for the 291 audits identified is 6 years.
 - e. Conduct follow-up inquiries as to the scheduled audit not completed on time.
3. One Year
- a. Define the target group to be audited.
 - b. Establish a schedule of annual and non-annual audits.
 - c. Review audit reports of planned annual audits and conduct non-annual audits.
 - d. Determine if the average number of years between audits for the target group is 6 years or less.
 - e. Conduct follow-up inquiries as to scheduled audits not completed on time.
4. Two Years – Continue the implementation timetable of the first year.
5. Five Years – Continue the implementation timetable of the prior years.

IV. Performance Measures

- A. Customer Satisfaction Measure – An annual evaluation survey will be developed and distributed to the target group. Any concerns identified through the survey will be addressed immediately.
- B. Program Standard Measure – Program standard will be the completion of all scheduled annual and non-annual audits by the due date for the target group. All departments are scheduled for audit so that every department in the executive branch will be audited at least once every six years where the department is not audited annually.
- C. Cost Effective Measure – Cost to conduct the audits by the program will be monitored to ensure that they are reasonable and fair and do not exceed budgeted costs and comparable audit fees.