

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, agencies and other entities on accounting procedures and internal control systems and other audit requirements of State laws through financial and compliance audits performed by external auditors and the Audit Division.

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 and; as applicable to certain State departments and other entities based on State laws, to ensure that such State departments and other entities comply with the accounting and internal control policies and procedures and related State laws applicable to such State departments and other entities.
- 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 and; as applicable to certain State departments and other entities based on State laws, to ensure that such State departments and other entities comply with the accounting and internal control policies and procedures and related State laws applicable to such State departments and other entities.
 - 1. Required Actions.
 - a. Define the target group.

- b. Establish for the fiscal year a plan for the review of audits of financial statements conducted by external auditors and for the financial and compliance audits to be performed by the Audit Division.
 - c. Report the results of the review of the audited financial statements of departments and agencies conducted by external auditors and the audits conducted by the Audit Division.
- 2. Past Year Accomplishments.
 - a. The target group was defined.
 - b. 22 audits of departments and agencies performed by external auditors were completed during the fiscal year. The Audit Division completed reviews of the audited financial statements and related reports of such audits. Additional information is provided in c. and d. below.
 - c. 11 of 22 departments and agencies covered by the 22 audits identified noncompliance with the accounting system or internal controls including noncompliance with Federal award program compliance requirements. The departments and agencies have responded to these findings and have or are in the process of implementing corrective actions.
 - d. 69 total audit findings were reported for the fiscal year. This is a 9% decrease from the previous year.
 - e. 22 audits were completed by the Audit Division during the fiscal year. Additional information is provided in f. and g. below.
 - f. 22 of the 22 departments and entities covered by the 22 audits identified noncompliance with the departments' and other entities' accounting system or internal control policies and procedures.
 - g. 381 audit findings were reported for the fiscal year. This is a 2% increase from the previous year. Responses to these findings were received indicating that corrective actions were implemented or were in the process of implementation.

3. One Year
 - a. Define the target group.
 - b. Monitor the progress of the plan for the review of audited financial statements performed by external auditors and for the audits to be performed by the Audit Division.
 - c. Review the completed audit reports as to noncompliance with established accounting procedures and internal controls and that written policies and procedures are functioning as designed.
 - d. Report the results of the review of the audits of financial statements of departments and agencies conducted by external auditors and the financial and compliance audits conducted by the Audit Division.
 - e. Conduct follow-up inquiries, as necessary, on the results of the audits.
 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. Monitor and review the audited financial statements of executive departments and agencies performed by external auditors.
 - c. Establish a plan for the audits to be performed by the Audit Division.
 - d. Report the results of the monitoring and audits.

2. Past Year Accomplishments.
 - a. The target group to be audited was defined.
 - b. Planned for the review of 22 financial and compliance audits to be performed by external auditors and 22 financial and compliance audits to be performed by the Audit Division were established.
 - c. 22 audit reports of audits of departments and agencies conducted by external auditors were reviewed by the Audit Division and 22 audits were completed by the Audit Division during the fiscal year.
 - d. Conducted follow-up inquiries, as necessary, on the audit findings identified by external auditors and the Audit Division.
3. One Year
 - a. Define the target group to be audited.
 - b. Establish a plan for the review of audits conducted by external auditors and audits to be conducted by the Audit Division.
 - c. Review audit reports of planned audits performed by external auditors and perform audits by the Audit Division.
 - 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 – A biennial evaluation survey will be developed and distributed to members of the target group responsible for the review, monitoring and follow-up with the departments, agencies and other entities on the results of the audits. Any concerns identified through the survey will be addressed immediately.
- B. Program Standard Measure – Program standard will be the completion of reviews audited financial statements performed by external auditors of departments and agencies with follow-up, if necessary, by the Audit Division and the completion of planned audits performed by the Audit Divisions.
- 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.