Legislative Audit Division

Report Summary

State Auditor's Office

Financial-Compliance Audit
For the Two Fiscal Years Ended June 30, 2004
Audit # 04-20

This report contains the results of our financial-compliance audit of the State Auditor's Office (office) for the two fiscal years ended June 30, 2004. This report contains six recommendations directed to the office concerning compliance with state law pertaining to conflict of interest for insurance examiners, custodial deposit assignments, and recording financial information on the state's accounting records. An unqualified opinion on the office's financial schedules was issued, which means the reader may rely on the financial information and supporting data on the state's accounting records.

The listing below serves as a means of summarizing the recommendations contained in the report, the office's response thereto, and a reference to the supporting comments.

Recommendation #1 We recommend the office comply with state law by only appointing examiners that do not have a conflict of interest with the insurance company being examined. Page 6.

Agency Response: Concur. See page B-3.

Recommendation #2 We recommend the office develop procedures to comply with the custodial deposit assignment requirements, as specified in state law. Page 7.

Agency Response: Concur. See page B-4.

Recommendation #3 We recommend the office perform additional supervisory review of infrequent and year-end accounting transactions to improve the accuracy of the accounting records. Page 8.

Agency Response: Concur. See page B-4.

Recommendation #4 We recommend the office work with the Department of Administration to record the financial activity and financial position related to the Surplus Lines Advisory Organization in the state's accounting records. Page 10.

Agency Response: Concur. See page B-4.

Recommendation #5 We recommend the office apportion forest reserve funds within 30 days of receiving final payment from the federal government, as required by state law. Page 11.

Agency Response: Concur. See page B-5.

Recommendation #6 We recommend the office follow up on local government audit findings communicated to the office, as required by federal law. Page 12.

Agency Response: Do not concur. See page B-5.