
**Department of
Agriculture**

This report contains the results of our financial-compliance audit of the Department of Agriculture (department) for the two fiscal years ended June 30, 2005. The previous audit report of the department contained two recommendations. The department implemented both recommendations.

This report includes three recommendations to the department related to accounting for loan investment activities, documentation of Agriculture Development Council decisions, and accounting for hail insurance refunds.

We issued an unqualified opinion on the department's financial schedules for each of the two fiscal years ended June 30, 2004, and 2005, which means the reader may rely on the presented financial information and the supporting detailed information on the Statewide Accounting, Budgeting, and Human Resource System.

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

Recommendation #1

We recommend the department record receivables and adjust expenditures related to loans issued by the Growth Through Agriculture program on the state's accounting system, as required by state accounting policy..... 3

Agency Response: Concur. See page B-3.

Recommendation #2

We recommend the department work with the Agriculture Development Council to implement guidelines for documenting decisions related to loan deferment and forgiveness. 4

Agency Response: Concur. See page B-4.

Report Summary

Recommendation #3

We recommend the department account for refunds issued under the Hail Insurance Program in accordance with state accounting policy. 5

Agency Response: Concur. See page B-4.