



# CASH FUNDS UNCOMMITTED RESERVES

Performance Audit, February 2013

## Report Highlights



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### PURPOSE

To determine state departments' compliance with Senate Bill 98-194 cash funds uncommitted reserves requirements. To determine whether the Cash Funds Uncommitted Reserves Report was prepared in accordance with statute.

### BACKGROUND

- Senate Bill 98-194 established limits to the amount of cash funds state departments can maintain at the end of a year.
- The State Controller prepares the report to determine which funds are in compliance.
- Each department verifies the financial information prepared by the State Controller. As part of the financial audit of the State of Colorado, auditors attest to the balances and calculations.

### OUR RECOMMENDATIONS

The various departments should:

- Monitor excess uncommitted reserves to ensure all cash funds are in compliance with Senate Bill 98-194 requirements.
- Verify that revenues are recorded properly in order to ensure that all funds subject to Senate Bill 98-194 are reported.

The various departments *agreed or partially agreed* with these recommendations.

### AUDIT CONCERN

**To report cash funds with excess uncommitted reserves that were out of compliance with Senate Bill 98-194 at June 30, 2012.**

### KEY FACTS AND FINDINGS

- We determined that 14 departments had funds with excess uncommitted reserves at June 30, 2012.
  - Within those 14 departments, 32 total cash funds reported excess uncommitted reserves. This was a decrease over the previous year with 15 departments and 36 total cash funds reported for Fiscal Year 2011.
  - Those cash funds contained a total of \$25.9 million in excess uncommitted reserves. This was an increase of \$11.6 million from last year.
- We found that one department improperly recorded revenue within one fund since 2004; as a result, the fund was erroneously excluded from the report.
- The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2012, are as follows:
  - Department of Agriculture
  - Department of Higher Education
  - Department of Human Services
  - Judicial Department
  - Department of Labor and Employment
  - Department of Law
  - Department of Local Affairs
  - Department of Natural Resources
  - Department of Personnel and Administration
  - Department of Public Health and Environment
  - Department of Public Safety
  - Department of Regulatory Agencies
  - Department of Revenue
  - Department of State