



CASH FUNDS EXCESS UNCOMMITTED RESERVES

Performance Audit, February 2014

Report Highlights



Dianne E. Ray, CPA
State Auditor

Statewide
Office of the State Controller

PURPOSE

To determine state departments' compliance with Senate Bill 98-194 cash funds excess uncommitted reserve requirements. To determine whether the Cash Funds Excess 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 Office of the State Controller (OSC) 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.
- The Office of State Planning and Budgeting (OSPB) requires departments to submit cash funds uncommitted reserves schedules with their annual budget packages that agree to the financial information prepared by the OSC.

OUR RECOMMENDATIONS

1. OSPB should establish procedures that verify the Schedule 9s and compliance plans submitted by the departments contain accurate financial information and agree to the report prepared by the OSC.
2. The various departments should:
 - Monitor excess uncommitted reserves to ensure all cash funds are in compliance with Senate Bill 98-194 requirements.
 - Implement procedures to ensure they accurately report cash funds information to the OSPB.

The various departments *agreed* with these recommendations.

AUDIT CONCERN

Departments had cash funds with excess uncommitted reserves that were out of compliance with Senate Bill 98-194 at June 30, 2013, and in some cases reported those excess reserves to the OSPB incorrectly.

KEY FACTS AND FINDINGS

- We determined that 12 departments had funds with excess uncommitted reserves at June 30, 2013.
 - Within those 12 departments, 34 total cash funds reported excess uncommitted reserves. This was an increase over the previous year with 14 departments and 32 total cash funds reported for Fiscal Year 2012.
 - Those cash funds contained a total of \$25.6 million in excess uncommitted reserves. This was a decrease of \$300 thousand from last year.
- The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2013, are as follows:
 - Department of Agriculture
 - Department of Education
 - Department of Higher Education
 - Department of Human Services
 - Department of Law
 - 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
- We found that nine departments did not submit information to the OSPB in accordance with requirements.