



CASH FUNDS UNCOMMITTED RESERVES

Performance Audit, February 2013

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 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