



STATE CONTROLLER'S BULLETIN

Edward Karass
State Controller

Rebecca M. Wyke, Commissioner
Administrative & Financial Services

Bulletin #FY06-09

SUBJECT: Revised: Responses to fiscal year 2005 Single Audit findings

DATE: February 23, 2006
TO: All Departments and Agencies
FROM: Edward A. Karass, State Controller

We recently issued Controller's Bulletin 06-07 on fiscal year 2005 Single Audit finding responses to instruct agencies on how to respond. We must make a change to the instructions. Instead of submitting the first element of your response to the Office of the State Controller for approval, you should submit this element directly to the Department of Audit. This is the response element that includes the statement "We agree with the finding" or "We do not agree with the finding". The following is a new version of Controller's Bulletin 06-07 revised to reflect these new instructions.

The Department of Audit will soon begin communicating draft fiscal year 2005 Single Audit findings to agency heads. The Office of the State Controller is prepared to help you. If you are unsure of how to respond to a particular issue raised, please contact the Controller's Office Division of Internal Audit or your Liaison in Financial Reporting and Analysis for technical assistance.

Responses to the findings will be handled **very differently** this year. Your response submission for each individual finding must contain the following elements:

1. The statement "We agree with the finding" or "We do not agree with the finding". If you do not agree with the finding, you must write why you do not agree. **Send this element directly to the Department of Audit** as they instruct you to do in their finding communication email. This response will be published in the Single Audit Report with each individual finding.
2. A corrective action plan made up of at least the four items below. **Send this to the Controller's Office.** It will be compiled into a consolidated corrective action plan for submission to the federal government and for inclusion in the Single Audit Report. This response will be published in a Single Audit Report section separate from the findings.
 - a. A plan of what will be or has been done to correct the specific issues and the systemic causes. This might include the need for federal report revisions, transfers of expenditures, etc. It will also most likely involve modification of your system of controls.
 - b. The timeline for this action.
 - c. Your plan for addressing and/or your position on any questioned costs included in the finding.
 - d. The name and phone number of the primary contact for corrective action.

Submit both of the above response elements **within 5 business days of receipt of the draft finding from the Department of Audit.** Please use the following email address in the global directory to send element #2 above to the Controller's Office:

Internal Audit - OSC

The corrective action plan (labeled #2 above) will be the focus of the State Legislature and other stakeholders in the process. Please note that it is the intention of the OSC to ensure that Departments and agencies take corrective action to resolve the finding(s). The OSC will make field visits to each affected agency to ensure compliance.

14 State House Station
Burton M. Cross Building, 4th Floor
Augusta, ME 04333-0014

Phone: (207)626-8420
Fax: (207)626-8422