

# MISSISSIPPI

## Board of Pharmacy

### **COMPLIANCE REPORT**

Limited Internal Control and Compliance Review Management Report  
For the year ended *June 30, 2017*

**SHAD WHITE**  
State Auditor

**Stephanie C. Palmertree, CPA, CGMA**  
Director, *Financial and Compliance Audit Division*  
**Derrick Garner, CPA, CFE**  
Director, *Compliance Audit Division*





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
STATE AUDITOR

June 10, 2019

**Limited Internal Control and Compliance Review Management Report**

Susan McCoy, Executive Director  
Mississippi Board of Pharmacy  
6360 I-55 North  
Suite 400  
Jackson, MS 39211

Dear Mrs. McCoy:

Enclosed for your review are the Limited Internal Control and Compliance Review Findings for the Mississippi Board of Pharmacy for the Fiscal Year 2017. In these findings, the Auditor's Office recommends the Mississippi Board of Pharmacy:

1. Strengthen controls over documenting employee insurance;
2. Strengthen controls over travel;
3. Ensure compliance with state law over bank accounts;
4. Ensure compliance with state purchasing law;
5. Ensure compliance with state law over cash receipts; and
6. Ensure compliance with state laws over leave.

Please review the recommendations and submit a plan to implement them by June 21, 2019. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

This report is intended solely for the information and use of management, individuals charged with governance and Members of the Legislature, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

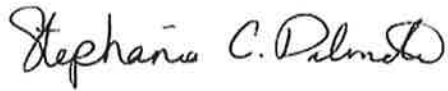
Mississippi Board of Pharmacy

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I hope you find our recommendations enable the Mississippi Board of Pharmacy to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Board of Pharmacy throughout the review. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Stephanie C. Palmertree". The signature is written in a cursive, flowing style.

Stephanie C. Palmertree, CPA, CGMA  
Director, Financial and Compliance Division  
Enclosures

The Office of the State Auditor has completed its limited internal control and compliance review of the Mississippi Board of Pharmacy (MBP) for the year ended June 30, 2017. The Office of the State Auditor's staff members participating in this engagement included Derrick Garner, CPA, Michael Torres, CPA, Jeremy Miller, CPA, Alisa Evans and Veronica Funchess.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. Also, our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be weaknesses. In accordance with *Section 7-7-211, Miss. Code Ann. (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

In performing our review, we noted certain matters involving the internal control over financial reporting and instances of noncompliance that require the attention of management. These matters are noted under the headings **OTHER CONTROL DEFICIENCIES** and **INSTANCES OF NONCOMPLIANCE WITH STATE LAW**. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

#### **OTHER CONTROL DEFICIENCIES**

**Finding 1:** Strengthen Internal Controls over Employee Insurance.

**Executive Summary:** Instances were noted in which health insurance documentation was inaccurate and not properly maintained by Mississippi Board of Pharmacy (MBP). Good internal control dictates agencies should maintain proper health insurance documentation.

**Recommendation:** We recommend MBP strengthen controls over employee insurance documentation to ensure all forms are maintained by the agency and are properly completed.

**Detail Analysis:** During our review of employee insurance for all agency employees during November 2016, we noted the following:

- Two (2) instances in which there was no health insurance application for coverage form on file for an employee.
- One (1) instance in which employee selected Legacy (Base) coverage on the health insurance application for coverage form and was billed on the BCBS billing statement based on the Legacy (Select) enrollment option; however, per SPAHRS Report the employee's hire date was 10/14/2009, which signifies that the employee should have been in the Horizon category.

Good internal controls dictate that agencies should maintain proper and complete documentation of health insurance forms. Failure to maintain proper and complete health insurance documentation could result in discrepancies between coverage selected on the health insurance application for coverage form, amounts billed on billing statement, and amounts deducted on employee's payroll.

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**Finding 2:** Strengthen Internal Controls over Travel.

**Executive Summary:** Points of travel were not documented for each day reimbursement was claimed as required by good internal controls. Several instances were noted in which purpose and points of travel do

not appear to be for reasonable, official business. Additionally, employees were reimbursed the incorrect mileage rate when claiming travel.

**Recommendation:** We recommend Mississippi Board of Pharmacy strengthen controls over travel documentation to ensure compliance with state travel and fleet management rules and regulations. All purpose and points of travel should be properly documented and for reasonable, official state business. The agency should maintain an in-house policy for private vehicle use for state business and ensure that employees are reimbursed mileage at the correct rate.

**Detail Analysis:** During our review of travel expenditures at the MBP during Fiscal Years 2015, 2016, 2017 and 2018, we noted:

- Thirty (30) instances in which purpose and points of travel do not appear reasonable. Employee claimed reimbursement for travel points within the city, town, or location of their regular place of work.
- Two (2) instances in which points of travel were not documented each day travel reimbursement was claimed. Travel voucher amounts were \$558.54 and \$839.95, respectively.
- Thirty-one (31) instances in which state owned vehicle was accessible during time of travel; however, employee chose to travel in privately owned vehicle and was reimbursed at the full federal private automobile reimbursement rate instead of the reduced mileage reimbursement rate when a state vehicle is available.
- Per auditor calculation of unallowed and allowed travel, Deputy Director was over-reimbursed \$4,788.77 and Former Executive Director was over-reimbursed \$954.11.
- One (1) instance in which employee traveled out-of-state with overnight stay and meals were itemized on travel voucher as taxable instead of non-taxable.
- One (1) instance in which Travel Authorization Form could not be located for Deputy Director travel for conference in Washington D.C. in May 2015.

*DFA State Travel Policy Rules & Regulations* Section 1.101.M states, "Temporary Place of Work – The city, town or other location at which the employee performs services on an irregular or short-term (generally one year or less) basis. State employees traveling on official business will be reimbursed for authorized and documented expenses between home and the temporary place of work, provided the temporary place of work is not within the city, town, or location of their regular place of work." Additionally, *DFA State Travel Policy Rules & Regulations* Section 1.101.N, states (in part), "Travel Status - The official status of an employee when away from the employee's Official Duty Station and Official Residence on official state business. The employee who works in two or more offices or regular places of work may claim mileage reimbursement to travel from one office or regular place of work to another place of work, but not between any regular work site and home, regardless of the distance of the commute." Failure to ensure that employees only receive travel reimbursement for legitimate, agency business could result in fraud, waste and abuse of agency funds.

*DFA State Travel Policy Rules & Regulations* Section 3.109.A, states (in part), "Entities must establish in house guidelines which are consistent with OPTFM policy in their agency travel manual for mileage reimbursement of private vehicles submitted to DFA on travel vouchers. These guidelines should address procedures used to determine if government-owned vehicles are available or not. It should also include

procedures used to determine mileage reimbursement rates charged on employee travel vouchers. It is the agency's responsibility to maintain all documentation for audit purposes supporting rates reimbursed and the documentation must be available to DFA or the Office of the State Auditor if requested." Failure to properly maintain an in-house travel policy for reimbursement of private vehicles used for state travel could result in inefficient use of agency funds.

DFA's Office of Purchasing, Travel & Fleet Management's (OPTFM) *Travel Policy Rules & Regulations Section 4.201* states (in part), "The BFM does not encourage the use of privately owned vehicles to conduct state business unless the state agency does not have access to a state-owned vehicle or the employee does not drive enough miles to warrant a state-owned vehicle. If there is a state-owned vehicle available for use and an authorized user makes a decision to use their privately owned vehicle, the user will receive mileage reimbursement at a reduced rate in accordance with the State of Mississippi Travel Policy Rules and Regulations. If there is not a state-owned vehicle that can be used for official state business, employees may be reimbursed up to the state approved mileage reimbursement rate." Failure of MBP to ensure that employee is reimbursed at correct mileage rate when using privately owned vehicle could result in waste of agency funds.

DFA's *State Travel Policy Rules & Regulations, Section 8.126 "Taxable and Non-Taxable Meals"* requires any reimbursement of meal expenses for travel not including an overnight stay is considered nondeductible compensation and therefore taxable to the traveler. Failure to properly itemize travel reimbursements could lead non-taxable reimbursements being incorrectly reported to the Internal Revenue Service.

Section 25-1-83, *Mississippi Code Annotated (1972)* requires a department head or equivalent to duly authorize in writing, prior approval for travel to conventions, associations or meetings. This approval is documented on the Department of Finance & Administration's Travel Authorization Form under Section 13.20.20. Failure to obtain proper authorization for employee attendance to conventions, associations or meetings could result in reimbursement of travel expenditures that were not incurred for legitimate business purposes.

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## INSTANCES OF NONCOMPLIANCE WITH STATE LAW

**Finding 3:** Ensure Compliance with State Law over Bank Accounts.

**Executive Summary:** Mississippi Board of Pharmacy did not comply with the maximum allowed bank balance of \$1,000 as approved by DFA and Treasury. In addition, MBP did not submit the Public Depositor Annual Report timely to Treasury. State law dictates that bank accounts shall have a maximum balance to be fixed by the State Treasurer and the Public Depositor Annual Report shall be submitted to the State Treasury in a timely manner. Furthermore, MBP does not perform adequately monthly bank reconciliations.

**Recommendation:** We recommend the Mississippi Board of Pharmacy ensure compliance with state laws over their bank account. Account balances should be maintained as authorized by Department of Finance and Administration and the Office of the State Treasurer and transfers to the State Treasury should be made timely. In addition, the Public Depositor Annual Report should be submitted timely to Treasury with accurate bank account information to ensure public funds are adequately collateralized. Furthermore, we recommend the agency strengthen internal controls to prepare adequate monthly bank reconciliations to include a reconciliation of the balance per bank and balance per book to the correct cash balance.

**Detailed Analysis:** During our review of the bank account at MBP during Fiscal Year 2017, we noted:

- MBP did not comply with the maximum allowed balance of \$1,000 as approved by Department of Finance and Administration and the Office of the State Treasurer. MBP's clearing account maintained month ending balances that ranged between \$35,368 and \$201,746 for every month of the fiscal year, or 100%, above the maximum allowed balance. This was caused by not making daily transfers to the State Treasury.
- MBP submitted the Public Depositor Annual Report on September 20, 2017, or 52 days after the due date. The due date is 30 days from the end of the fiscal year, or July 30, 2017. In addition, the year-end account balance documented on the Public Depositor Annual Report noted the July 31, 2017 bank balance of \$109,630.40, and not the June 30, 2017 balance of \$201,745.57 – an understatement of \$92,115.17.
- MBP did not prepare adequate monthly bank reconciliations during the fiscal year for the bank account. There was no reconciliation of the balance per bank or the balance per books to the correct cash balance.

*Section 7-9-12, Miss. Code Ann. (1972)* requires agencies to request authorization from the Department of Finance and Administration (DFA) and the Office of the State Treasurer (Treasury) to open a bank account to serve as a collection or clearing account. Each account established shall have a maximum balance to be fixed by the State Treasurer. *Section 7-9-21, Miss. Code Ann. (1972)* requires agencies to transfer monies deposited in agency clearing bank accounts to the State Treasury in a timely manner. Failure to maintain bank balances as authorized by DFA and Treasury results in potential loss of interest revenue to the state since the clearing account was non-interest bearing.

*Section 27-105-5(6)(b), Miss. Code Ann. (1972)* requires a public depositor to notify the State Treasurer, no later than thirty days after the end of the fiscal year, of its bank accounts that it has with a qualified public depository, including the balance in the accounts as of the fiscal year end. Failure to submit the Public Depositor Annual Report with accurate bank account information in a timely manner could result in Treasury not having the information necessary to determine proper collateralization.

Good internal controls dictate an agency to perform a documented bank reconciliation each month that includes a reconciliation of the balance per bank statement to the correct cash balance as well as a reconciliation of the balance per books (company records) to the correct cash balance. Therefore, the balance per bank and balance per books should equal. Failure to prepare adequate monthly bank reconciliations could lead to fraud, waste, and abuse.

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**Finding 4:** Ensure Compliance with State Law over Purchasing.

**Executive Summary:** Multiple instances were noted in which invoices were paid for services that were not properly documented as received and inspected prior to payment. State law dictates that services should be properly inspected, approved, and documented prior to remitting payment of invoices. In addition, an instance was noted in which hourly rate per invoice did not agree to hourly rate per contract. Good internal control dictates that agencies should comply with all terms of contract to ensure invoices are properly billed prior to remitting payment of invoices.

**Recommendation:** We recommend the Mississippi Board of Pharmacy strengthen controls to ensure compliance with state law over purchasing. Personnel receiving goods or services should sign and date all invoices or other documentation as verification of proper receipt of goods or services prior to disbursement of funds. Furthermore, invoices for services rendered should be properly billed according to the rate stated in the contract.

**Detailed Analysis:** During our review of fifty (50) contractual services expenditures at the MBP during Fiscal Year 2017, we noted:

- Forty-one (41) instances in which there was no evidence that services had been inspected, approved and documented prior to remitting payment of invoices.
- One (1) instance in which agency did not comply with terms of contract. Hourly rate per contract did not agree to hourly rate per invoice. Hourly rate per pre-approved vendor Staffers, Inc. was \$11.68. Hourly rate per invoice was \$13.50, resulting in a \$1.82/hour variance.

*Section 31-7-305(1), Miss. Code Ann. (1972)* requires a record to be kept of the date of receipt of invoice, dates of receipt, inspection, and approval of the goods or services. The *Mississippi Agency Accounting Policies and Procedures (MAAP) Manual, Subsection 29.60.51*, also states that smaller agencies may use a stamp format placed on the invoice to include date and signature of the employee receiving the merchandise from the vendor. Failure to keep a record of goods or services received could result in payment of goods or services not yet received.

Good internal control dictates agencies should comply with all terms of contract — including hourly rates — to ensure all invoices are properly billed for payment made on invoices. Failure to ensure hourly rates are properly billed on invoices as required per contract could result in a breach of contract by the agency.

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**Finding 5:** Ensure Compliance with State Law over Cash Receipts.

**Executive Summary:** Multiple instances were noted in which payments received at the agency were not deposited timely into the agency's clearing bank account. In addition, transfers from the agency's bank account to the state treasury were not made timely in accordance with state law.

**Recommendation:** We recommend the Mississippi Board of Pharmacy strengthen controls to ensure compliance with state law over cash receipts. Daily receipts should be timely deposited into the agency's clearing account to reduce likelihood of loss or theft. Transfers from the agency's clearing account to the State Treasury should be made promptly.

**Detailed Analysis:** During our review of thirty (30) cash receipts transactions at the MBP during Fiscal Year 2017, we noted:

- Four (4) instances in which deposits were not made to the agency clearing bank account within the next business day of receiving payment. The maximum time from receipt at the agency until deposit to the clearing account was noted as 2 business days.
- Four (4) instances in which transfers to State Treasury were not made within two (2) business days after deposit into the agency clearing bank account. The range of time from deposit to clearing account to transfer to Treasury ranged from 3 to 10 business days.

Good internal control requires cash receipts to be deposited into the agency's clearing account within one (1) day of receipt to reduce the likelihood of loss or theft. Failure to timely deposit receipts increases the risk of theft and/or misplacement of funds.

*Section 7-9-21, Mississippi Code Annotated (1972)* requires public funds to be deposited into the State Treasury by the end of the next business day following the day that funds are collected.



**Finding 6:** Ensure Compliance with State Law over Leave.

**Executive Summary:** Multiple instances were noted in which employee's timesheet was not signed as authorized by supervisory personnel, leave used and compensatory time earned was not properly recorded in the Statewide Payroll and Human Resource System (SPAHRs), and employee improperly used medical leave prior to using personal leave.

**Recommendation:** We recommend the MBP strengthen controls to ensure compliance with state law over leave. One day of personal or compensatory leave must be used before medical leave. In addition, organizations must keep accurate records and properly record in SPAHRs all leave earned and used. We recommend MBP take corrective action to adjust leave in SPAHRs for employees whose leave taken was not properly recorded in SPAHRs.

**Detailed Analysis:** During our review of Personal, Major Medical and Compensatory Leave for MBP for all fifteen (15) employees during November 2016, and two (2) employees during March, April and May 2017, we noted the following:

- One (1) instance in which employee's timesheet was not signed as authorized by supervisory personnel.
- One (1) instance in which employee's compensatory time earned was not properly recorded in SPAHRs.
- Three (3) instances in which leave taken by agency personnel was not properly recorded in SPAHRs.
- One (1) instance in which an employee used medical leave prior to taking eight (8) hours of compensatory or personal leave first.

*Section 25-3-97(1), Miss. Code Ann. (1972)* requires all organizations to keep accurate records of the leave accumulated and used by all employees and officers. Additionally, good internal control dictates that MPB follow proper procedures for documenting and authorizing all leave earned and used to ensure accuracy in agency records and SPAHRs. Failure to properly document and authorize all leave used in agency records could result in inaccurate leave reporting in SPAHRs.

*Section 25-3-95 (2)(a), Miss. Code Ann. (1972)* requires one day (8 hours) personal or accrued compensatory leave to be used before medical leave for each absence due to illness. Failure to use one day (8 hours) personal or compensatory leave before using medical leave could result in improper use of medical leave.

State law and good internal control dictate agencies follow proper procedures for documenting and authorizing all leave earned and used.

**End of Report**



STATE OF MISSISSIPPI  
MISSISSIPPI BOARD OF PHARMACY

June 21, 2019

Shad White, State Auditor  
Office of the State Auditor  
State of Mississippi  
P. O. Box 956  
Jackson, MS 39205-0956

Dear Mr. White:

I appreciate the fact that Mr. Derrick Garner met with me to discuss the findings of the 2017 compliance audit conducted by your office. This meeting was extremely helpful since I was not serving as the Executive Director during the time of the audit. It was rewarding to hear that this was a relatively clean audit.

I also appreciate having the opportunity to respond to the findings listed within this compliance audit. Most of the areas noted within the compliance audit have already been addressed, and I will continue to monitor the policies and procedures implemented to ensure the agency has strong internal controls within its operations.

**Audit Findings**

**Finding 1:** Strengthen Internal Controls over Employee Insurance.

**Finding 1 Response:** We acknowledge that there were two instances where health insurance applications were not on file. These instances were for employees hired in 1999 and 2003, and they had not elected changes in their coverage since their initial employment. The initial applications were no longer maintained based on the record retention requirements contained in Section 26.60.30 of the Mississippi Agency Accounting Policies and Procedures Manual.

We further acknowledge that there was one instance where the employee's health application incorrectly noted the type of coverage based on prior employment. The audit finding utilized the state hire date within the State Payroll and Human Resource System (SPAHRs); however, that date cannot be the sole determining factor for coverage as many covered entities do not utilize the SPAHRs system. The employee in question was employed by a covered entity prior to 2006, and the Blue Cross system would not allow the incorrect coverage type to be selected.

**Corrective Action Plan for Finding 1:** The agency will review all insurance records during the annual open enrollment period to ensure that there are applications on file and that the applications correctly reflect the coverage being provided by Blue Cross. The agency will also require an employee to correct his or



her application whenever the Blue Cross system denotes the wrong coverage was selected on the application. This will ensure consistency between actual allowable coverage and agency records.

**Finding 2:** Strengthen Internal Controls over Travel.

**Finding 2 Response:** We acknowledge that guidelines over travel and documentation of travel during 2015 through 2018 were lacking. Many of the former practices were changed when the compliance audit brought these matters to the agency's attention. Actions already taken to strengthen controls over travel included:

- Requiring points of travel and purpose of the travel to be fully documented on travel vouchers submitted for reimbursement.
- Requiring all travel vouchers submitted for reimbursement to indicate if a state-owned (pool) vehicle was or was not available at the time of the travel. This practice requires that the employee sign a verification statement and provides an easily identifiable means for the travel reimbursement processor to apply the correct reimbursement rates. NOTE: At this time, the agency no longer has a pool car, so this control is not presently needed.
- Developed a policy to determine the beginning point for all travel (whether the employee's travel should begin from the office or from their home) and required this policy to be consistently applied.
- Continuing to use the trip optimizer which was not in existence during FY17.

**Corrective Action Plan for Finding 2:** The Board will require repayment of all excess travel reimbursements received by the former Executive Director and the current Deputy Director as identified during the compliance audit.

Training on state travel policies and procedures as well as internal agency processes will be provided to all current employees and board members. Travel training will also be conducted for all new board members and employees at the time they are hired.

To ensure excess reimbursements do not occur in the future, the agency will continue the adopted procedures to require detailed documentation on all travel vouchers and we will ensure the correct reimbursement rate is applied based on the documentation provided. The verification process performed by the third-party travel processor will also ensure all necessary documentation, including the Travel Authorization Form for Out-of-State Travel, is included.

**Finding 3:** Ensure Compliance with State Law over Bank Accounts.

**Finding 3 Response:** We concur that the agency exceeded the \$1,000 maximum allowed balance on its clearing account based on the monthly ending bank balances and based on the fees collected. This occurred primarily due to timing issues since it is the practice to perform daily transfers to the State Treasury. We also concur that the agency did not submit its Public Depositor Annual Report on July 31<sup>st</sup> as required. We further concur that the bank reconciliation process was lacking during 2017.

Many of the issues concerning the bank account process occurred at a time when the employee primarily responsible for processes associated with bank accounts, deposits and transfers to the Treasury was on extended family leave and then terminated her employment. Since this employee terminated, the agency revised all procedures associated with its bank accounts.



**Corrective Action Plan for Finding 3:** The Board will request that the maximum allowable balance for its clearing account be increased to more adequately reflect the daily revenue collections. This request will be made in conjunction with the submission of the Public Depositor Annual Report. We have added the Annual Report to the year-end check list to ensure the deadline is not overlooked. This procedure ensured that the Annual Report was filed on time as required for FY18.

As noted above, the procedures over the bank account and the transfers to the Treasury were revised to include additional personnel and to ensure that deposits are recorded whenever an employee is out of the office. The bank reconciliation procedure was also reassigned to the third-party fiscal agent to strengthen internal controls since they are not responsible for performing any transactions associated with the bank account.

**Finding 4:** Ensure Compliance with State Law over Purchasing.

**Finding 4 Response:** The agency has had a procedure in place to ensure that all services are rendered prior to payment for those services. All invoices require a signature indicating approval of the payment which is an acknowledgement of the services being rendered. However, the approved invoice was often manually filed and was not always the copy that was loaded into the state accounting system.

There was also a procedure to note the date invoices were received but that may have been provided through an email log and not a date stamp on the face of the invoice.

We concur that there was one instance where the vendor charged more than the contractual hourly rate.

**Corrective Action Plan for Finding 4:** The agency has implemented a procedure requiring a date stamp be used to indicate the date the invoice was received. This procedure now includes invoices received via email.

The issue where payment exceed the contractual rate was corrected beginning in FY18. Invoices are now routinely reviewed against contracts to ensure establish rates are applied.

**Finding 5:** Ensure Compliance with State Law over Cash Receipts.

**Finding 5 Response:** The agency concurs that there were four instances where deposits were made within two business days instead of the following day as required by law. In all instances, the employee responsible for making the deposits was on leave. New procedures have been implemented whereby a secondary individual is responsible for making deposits when the primary person responsible is out of the office. This procedure has strengthened the internal controls over cash receipts.

The agency also concurs that there were four instances where the transfer for funds to the Treasury were not made within two business days. At least two of these instances occurred with the primary employee assigned to process transfers was away on extended medical leave. New procedures and cross-training have been implemented to ensure multiple individuals can perform this function in the absence of the primary individual assigned to perform this function.

**Corrective Action Plan for Finding 5:** As noted above, the agency established new procedures over the cash receipting function. There are now multiple individuals assigned to perform cash receipting functions to ensure they are performed timely.

**Finding 6:** Ensure Compliance with State Law over Leave.

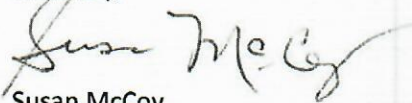
**Finding 6 Response:** The agency concurs that there was one instance where an employee's timesheet was not signed. This occurred while the former Executive Director was on extended medical leave at the end of the month when timesheets would normally have been signed. The lack of signature was an oversight in extenuating circumstances.

During the course of the audit, the agency produced records demonstrating that the SPAHRS system properly reflected the information contained on the employees' timesheets denoting hours worked and leave taken. The information provided also reflected that leave was recorded in the proper sequence.

**Corrective Action Plan for Finding 6:** The agency will continue to ensure all timesheets are signed and that all leave is properly recorded in SPAHRS. The agency has also recently instituted a master calendar which is maintained by the Executive Director. A comparison of the master calendar and the employees' timesheets is made prior to the Executive Director approving the timesheets and submitting them to the third-party fiscal officer for entry into the payroll system. This process has strengthened the agency's internal controls over accrual of compensatory time and the recording of leave taken.

Thank you again for providing us with this opportunity to review the internal controls of the agency.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan McCoy", written in dark ink.

Susan McCoy  
Executive Director