

REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES
FISCAL YEAR ENDED JUNE 30, 2015
PERFORMANCE AUDIT

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER

CONCERN

The Office of the State Controller (OSC) did not meet the statutory deadline for the cash funds report. In addition, six departments had cash funds with excess uncommitted reserves and were out of compliance.

KEY FACTS AND FINDINGS

- The OSC submitted the cash funds report on January 22, 2016, which was 4 months beyond the September 20 statutory requirement.
- We identified problems that contributed to the failure to meet the statutory deadline such as:
 - Delays occurred in closing the State's accounting periods.
 - The internal control process was ineffective in identifying problems early.
- We determined that six departments had funds with excess uncommitted reserves as of June 30, 2015.
 - Within those six departments, nine total cash funds had excess uncommitted reserves of \$7.3 million. This was a decrease from the previous year with eight departments and 21 total cash funds and a total of \$22.5 million, due in part to statutory changes.
- The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2015, are:
 - Department of Agriculture
 - Department of Law
 - Department of Personnel & Administration
 - Department of Public Health and Environment
 - Department of Public Safety
 - Department of Revenue
- We found that the Department of Public Safety submitted incomplete cash fund information to the OSPB as of June 30, 2015.

BACKGROUND

- Section 24-75-402, C.R.S. limits the amount departments can keep in certain cash funds at the end of a fiscal year.
- The OSC is required to prepare the Cash Funds Excess Uncommitted Reserves Report by September 20 to determine which funds are in compliance.
- Each department verifies the financial information prepared by the OSC. This information is audited as part of the Statewide Financial audit.
- The Office of State Planning and Budgeting (OSPB) requires departments to submit cash fund information with their annual budget packages.

KEY RECOMMENDATIONS

- The OSC should ensure that it prepares and issues the cash funds report in accordance with statutory deadlines.
- The departments with excess uncommitted reserves should monitor excess uncommitted reserves to ensure all cash funds are in compliance with statutory requirements and submit the required compliance plans in accordance with OSPB guidelines.

The Departments generally agreed with the recommendations.