

SUMMARY

The Office of the Auditor General has conducted a follow-up review to the previous Steamboat Chapter audit and five management system assessment. This follow-up evaluates the Chapter's progress in resolving the audit findings and correcting the five management system internal control deficiencies previously identified by the Office of the Auditor General.

Steamboat Chapter Has Made Progress in Resolving the Audit Findings and Correcting its Five Management System Internal Control Deficiencies but Additional Efforts are Needed to Obtain Local Governance Certification.

Steamboat Chapter has made progress toward implementing corrective actions to resolve the audit findings. Of the five recommendations provided in the Steamboat Chapter audit, two were fully implemented, two were partially implemented and one was not implemented. The three recommendations that have not been fully implemented are:

- Providing financial reports during regular Chapter meetings
- Establishing a suspense file to keep track of all the requests for student financial assistance and the eventual outcome of the requests.
- Strengthening control over Chapter property.

Steamboat Chapter has also made a significant effort in implementing corrective actions to address the internal control deficiencies identified in our assessment of the Chapter's five management system. Of the eight recommendations provided in the Steamboat Chapter five management system assessment, three were fully implemented and five were partially implemented. The five recommendations that have not been fully implemented are:

- Reconciling fund ledger balances with check register balance when preparing monthly bank reconciliations.
- Reconciling cash receipts tickets to actual undeposited cash before deposit.
- Requiring the check requestor and the person authorizing the processing of the check to sign the check request form.
- Requiring the supervisor to document verification of workers hours.
- Depositing payroll taxes in accordance with the IRS payment instructions.

Addressing these deficiencies will strengthen Steamboat Chapter's internal controls so that it can provide reasonable assurance that it properly accounts for and safeguards all assets, complies with applicable laws and regulations and uses resources effectively and efficiently. In order to obtain governance certification, however, the Chapter must also submit a revised five management system manual to the Office of the Auditor General. This office has previously reviewed the adequacy of Steamboat Chapter five management system manual and made recommendations to the Chapter. But the Chapter has yet to submit a revised manual.

Therefore, Steamboat Chapter must fully implement all previous recommendations and revise its five management system manual to demonstrate that it is prepared for local governance certification review. We recommend the Chapter to develop a corrective action plan specifying the process that the Chapter will undertake to fully implement all recommendations that were partially or not implemented and submit a revised five management system manual to the Office of the Auditor General.