

## SUMMARY

The Office of the Auditor General conducted a supplemental follow-up review of the Red Valley Chapter corrective action plan (CAP) implementation in accordance with 12 N.N.C. Section 7. The supplemental follow-up review was to determine whether Red Valley Chapter implemented its CAP to resolve the findings presented in audit report no. 00-08.

Our supplemental follow-up review found:

*Finding I:*

- 4 of 4 corrective measures have not been implemented.

*Finding II:*

- 2 of 2 corrective measures have been implemented.

Overall, the Red Valley Chapter has not implemented a majority of the corrective measures outlined in the corrective action plan approved by the Budget and Finance Committee per resolution no. BFS-46-06. Of the six (6) corrective measures, two (2) were found to be implemented but four (4) corrective measures have not been fully implemented. The supplemental review revealed that improvements are still needed with the Chapter's accounting system to address the approximately \$10,000 variance found in the accounting books. Such discrepancies hinder the Chapter in preparing reliable financial reports but more important, the Chapter cannot provide reasonable assurance that all Chapter resources and assets are properly accounted for. The lack of proper training and technical assistance for the Chapter staff by LGSC was deemed a contributing factor in the Chapter's inability to fully implement its corrective action plan.

With most of the corrective measures not implemented, the Chapter has not demonstrated much needed improvements to its five management system. In conclusion, the Office of the Auditor General recommends that sanctions remain on the Red Valley Chapter in accordance with 12 N.N.C., Section 9(B) for failure to fully implement the corrective action plan.