

## GMD Audit Assessment

<b>Auditee:</b>	<b>FYE:</b>
Western Pacific Regional Fishery Management Council	December 31, 2016
<b>Audit/Grants Specialist:</b>	<b>Date of Review:</b>
Evelyn Nabbah	November 13, 2017
<b>Questioned Costs</b>	
Summary: Questioned costs is unknown because travel related expenditures were never identified. Therefore, inappropriate and unallowable travel charges were not identified. The recipient has not been requesting documentation to support travel. Recipient accepted e-mail messages sent by travel agent as documentation to support travel.	

## Findings

**Summary:** The Western Pacific Regional Fishery Management Council had four (4) findings covering the audit period January 1, 2016 – December 31, 2016. The findings from the December 31, 2016 schedule of findings, questioned costs, corrective action plan and actions taken by recipient regarding the findings was submitted to the Single Audit Clearing House on September 27, 2017.

Awards Impacted: NA16NMF4410196

**Finding #, Title of Finding 2016-001: Accrual Basis of Accounting**

**Description of finding.**

The accounting records are maintained throughout the year on the cash basis of accounting. Journal entries are generally made at the end of the year to recognized accounts receivable and related revenue. However, as of December 31, 2016, no journal entries were recorded to recognize unpaid revenue earned and related accounts receivable

**Finding #, Title of Finding 2016-002: Regular and Timely Reconciliation of Bank Statements**

**Description of finding.**

Regular and timely reconciliation of the general ledger cash account to the related bank statement was not performed.

**Finding #, Title of Finding 2016-003: Outstanding Checks**

**Description of finding.**

Regular and timely reconciliation of the general ledger cash account to the related bank statement was not performed. The process of reconciling the general ledger cash account to the related bank statement should include a review for stale dated outstanding checks.

**Finding #, Title of Finding 2016-004: Allowable Costs and Cost Principles**

**Description of finding.**

The Council has not been requesting documentation to support travel related expenditures other than the email messages sent by the travel agent.

## Assessment & Recommendation:

Recipient has taken action correcting findings #2016-001, #2016-002, #2016-003, #2016-004.  
Recipient adherence to corrective actions should be verified in FY2017 audit.

## Action (to be) Taken:

A follow-up site visit is recommended to substantiate recipient's compliance.

Resolution Needed?

Yes

No

**Signatures**

Grants Specialist: EVELYN FATI NABBAH

Date: 11/17/2017

Audit Specialist: M. O. P. [Signature]

Date: 11/17/17

Branch Chief: \_\_\_\_\_

Date: \_\_\_\_\_



rec'd 11/20/17  
@ 7:34 am

Western Pacific Regional  
Fishery Management Council

## 9.6 ACCOUNTING PROCEDURES

### **Financial Reporting**

The Fiscal Officer will maintain accounting records on the accrual basis of accounting. Monthly reports detailing journal entries recognizing revenue earned in relation to receivables will be produced and made available for review by the 15th of the following month.

### **Bank Reconciliation**

At the end of each month, reconciliation of the general ledger cash account against the related bank statement will be performed within 10 days upon receipt of the bank statement. The financial assistant will reconcile the bank statement, who will then have the fiscal officer verify the reconciliation for program officer review and approval. All unreconciled items will be completely examined, resolved and any required adjustment to journal entry will be generated, approved, and posted to the general ledger.

### **Outstanding Checks**

At the end of each month, the financial officer will review and generate an accurate detailed report of outstanding checks or stale dated items. These items will be reviewed and processed in a timely manner in compliance with State of Hawaii unclaimed property laws.

### **Travel**

The Council will continue to use multiple vendors to procure travel services and reconcile travel invoices against bank statements. In addition, staff will perform a price comparison audit of up to 25 travel invoices randomly sampled throughout the fiscal year. Random sampling of up to nine travel orders will begin in October 2017 to cover the last trimester of the year. The results of the random audit sampling will be recorded and made available upon request.