

WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

SECTION I – SUMMARY OF AUDIT RESULTS

*FINANCIAL STATEMENTS:*

Type of auditor's report issued:

Internal control over financial reporting:

- |  |                      |
|--|----------------------|
| 1. Material weakness identified?                         | <u>No</u>            |
| 2. Significant deficiencies identified                   | <u>None reported</u> |
| 3. Noncompliance material to financial statements noted? | <u>No</u>            |

*FEDERAL AWARDS*

Internal control over major program:

- |   |                      |
|---|----------------------|
| 1. Material weakness identified?  | <u>No</u>            |
| 2. Significant deficiencies identified that is not considered to be material weakness?                | <u>None reported</u> |
| 3. Type of auditor's report issued on compliance for major program:                                   | <u>Unmodified</u>    |
| 4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u>None reported</u> |
| 5. Identification of major program:   |                      |
| a. CFDA No. 11.441: Regional Fishery Management Councils  |                      |
| b. Dollar threshold used to distinguish between type A and type B programs:                           | <u>\$750,000</u>     |
| c. Auditee qualified as low-risk auditee?   | <u>No</u>            |

**WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL**  
**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (Continued)**

**For the Year Ended December 31, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

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**PART V**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2015**

**STATUS OF PRIOR YEAR COMMENTS**

*FINANCIAL STATEMENT FINDINGS*

**FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL OVER FINANCIAL REPORTING**

In the prior year, the auditor expressed an unmodified opinion on internal control over financial reporting and on compliance. No material weaknesses were reported by the auditor in the prior year. However, one significant deficiency was reported by the auditor in the prior year.

*Internal Control over Financial Reporting*

*Reference Number* – Item #2014-001: Properly Record All Accrual Entries

*Criteria* – The use of accrual basis of accounting throughout the year results in financial statements reflecting the complete effects of an entity’s financial transactions for a period.

*Statement of Condition* – At the end of the year, audit adjusting entries are needed to properly report expenditures and expenses incurred for the year. For the year ended December 31, 2014, an adjustment of approximately \$487,000 in additional expenses had to be recorded to properly state expenditures.

*Cause* – Throughout the year, the accounting records are kept on a cash basis of accounting. At the end of the year accrual entries are recorded to be able to report expenditures on an accrual basis. The amount recorded does not always encompass all liabilities at year end.

*Effect* – Liabilities and expenses at year end are not properly recorded. In addition, although the Council has a multi-year grant which allows for some flexibility in its annual spending, they are at risk of spending in excess of the amount budgeted for the year. This could lead to funding shortfalls in the year that the multi-year grant ends.

*Recommendation* – The Council should maintain its accounting records on a full accrual basis throughout the year. If the Council cannot maintain its accounting records on a full accrual basis throughout the year, it should develop procedures to be able to properly record all accrual entries.

*Current Status* – The Council currently maintains its accounting records on a full accrual basis.

**WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2015**

*FEDERAL AWARD FINDINGS AND QUESTIONED COSTS*

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

In the prior year, the auditor expressed an unmodified opinion on compliance for the major federal award programs. No material weaknesses or significant deficiencies were reported by the auditor in the prior year.

*Reference Number* – Item #2014-002: Timely submission of the reporting package

*Criteria* – OMB Circular A-133 Section 320(a) states that the reporting package should be submitted to the Federal clearinghouse by the earlier of 30 days after the audit report is received or 9 months after the fiscal year end.

*Statement of Condition* – The fiscal year December 31, 2013 audit reporting package was submitted in December 2014, after the September 30, 2014 deadline.

*Cause* – Delay in final draft of the audit report due to discovery of subsequent information that required proper disclosure in the report.

*Effect* – Late submission of the reporting package.

*Recommendation* – The Council should make a concerted effort to make all information available for audit in a timely manner. If all potential issues are addressed at an earlier part in the process this will lead to timely report completion and timely package submittal.

*Current Status* – In the current year, no late discovery of information occurred.

**PART VI**  
**CORRECTIVE ACTION PLAN**

**WESTERN PACIFIC REGIONAL FISHERY MANAGEMENT COUNCIL**

**CORRECTIVE ACTION PLAN**

**For the Year Ended December 31, 2015**

**CORRECTIVE ACTION PLAN**

A corrective action plan is not required because there were no audit findings or questioned costs reported for the year ended December 31, 2015.

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