



STATUS UPDATE ON PLANS TO ENHANCE INTERNAL CONTROLS

Prepared by: The Office of Finance
Internal Controls & Compliance Division
Status Through: November 7, 2012



Progress Update

- Implemented control enhancements in the following areas:
 - Documentation of Accounting Analysis and Conclusions
 - Terminated User Access Process
 - Review of Investment Purchases and Sales
 - Reconciliation of Preauthorized ACH Payments
 - Bad Debt Allowance Policy
 - Restricted Cash and Investments
 - Calculation and Review of Treasury Related Documents
 - Reconciliation of Net Assets by Classification per Reporting Standards
 - Controls Related to Pensions
- Significant progress has been made in the preparation and review of account reconciliations, including clearing accounts
 - All current month reconciliations are being prepared in accordance with new policy
- As illustrated on next page, all enhancements except one (related to audit deliverables) are on track for completion by December 31

Controls Enhancement Dashboard

Action Item	Targeted Completion	% Complete*	Status	
1. Procedures over the Accounting, Monitoring, and Reporting of Capital Assets, including CIP, Capitalized Interest Costs, and Depreciation Should be Enhanced	Dec 2012	50%	On Track	●
2. Oracle Sensitive Access Restrictions and Segregation of Duties Issues	Dec 2012	70%	On Track	●
3. Procedures Surrounding the Accrual Estimation Process and Review Should be Enhanced	Dec 2012	60%	On Track	●
4. Review of Credit Balances in Accounts Receivable Should be Enhanced	Nov 2012	80%	On Track	●
5. Documentation on Accounting Analysis and Conclusions Should be Enhanced	Oct 2012	100%	Completed	✓
6. Reconciliation Performance and Review Should be Adequately Evidenced	Dec 2012**	70%	On Track	●
7. Terminated User Access Process Should be Enhanced	Sept 2012	100%	Completed	✓
8. Review of Investment Purchases/Sales Should be Enhanced	Oct 2012	100%	Completed	✓
9. Controls Over Accounting, Monitoring, Reporting of Inventory Activity Should be Enhanced	Dec 2012	50%	On Track	●
10. The Understanding and Use of Clearing Accounts Should be Improved	Dec 2012**	70%	On Track	●
11. Improvements to Configuration of Oracle System Should be Implemented	Dec 2012	50%	On Track	●
12. The Reconciliation of Preauthorized ACH Payments Should be Enhanced	Sept 2012	100%	Completed	✓
13. The Review of Produced Invoices Should be Improved Prior to Production/Issuance	Nov 2012	90%	On Track	●
14. Review Sufficiency of the Bad Debt Allowance Policy	Sept 2012	100%	Completed	✓
15. Review of Calculation of Restricted Cash & Investments Should be Enhanced	Oct 2012	100%	Completed	✓
16. Calculation and Review of Treasury Related Documents Should be Enhanced	Oct 2012	100%	Completed	✓
17. Preparation and Review of CAFR and Supporting Schedules Should be Enhanced	Apr 2013	60%	On Track	●
18. Perform Regular Reconciliation of Net Assets by Classification per Reporting Standards	Sept 2012	100%	Completed	✓
19. Enhance Review of Controls Related to Pensions	Aug 2012	100%	Completed	✓

* Estimate only based on perceived complexities, anticipated man-hours, and information available to-date. ** Revised Date.