

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

September 26, 2023

Senator David Wallace, Co-Chair
Representative Jimmy Gazaway, Co-Chair
Legislative Joint Auditing Committee
500 Woodlane Street, Suite 172
Little Rock, AR 72201

Dear Senator Wallace, Representative Gazaway, and Committee Members:

Pursuant to a request from the Honorable Larry Walther, Treasurer of State, and approved by the Co-Chairs of the Legislative Joint Auditing Committee, Arkansas Legislative Audit performed the following procedures for the Office of Treasurer of State (the Office):

As of August 7, 2023

1. Conducted a count of cash on hand.
2. Determined that expenditures were proportional and within appropriated amounts.

As of July 31, 2023

3. Reviewed reconciliation and confirmed existence of bank accounts.
4. Reviewed reconciliation and confirmed existence of investment accounts.
5. Observed selected capital asset items.

Our procedures included discussions with staff, observation of capital asset items, and review of available documentation.

While performing the steps above (Nos. 1-5), auditors noted issues with the reconciliation of the Office's bank accounts. During testing performed for March 2023, auditors noted 12 of 17 active accounts were not reconciled and reviewed in a timely manner. We also noted reconciling items are being carried for an extended period on the Office's main operating account including one item dating back to July 2022. Not performing and reviewing reconciliations in a timely manner and allowing unreconciled items to float for extended periods increases the risk of a loss of State assets. We recommend the Office take steps to ensure all accounts are fully reconciled and reviewed in a timely manner.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink that reads "Roger A. Norman".

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

cc: The Honorable Larry Walther, Treasurer of State

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