

Finance and Administration Cabinet STANDARD PROCEDURE	ISSUED BY: Executive Management
PROCEDURE # 1.7	SUBJECT: Notification and Reporting of Audit Responses to the Office of Public Accounts
EFFECTIVE DATE: 9/30/11	
CONTACT: Executive Director; Office of Policy and Audit	LOCATION: Capitol Annex Room 493 PHONE: 502-564-1441

STATEMENT OF AUTHORITY

1. The Finance and Administration Cabinet's Standard Procedures Manual establishes standard mandatory internal procedures cabinet-wide. These procedures are established in accordance with the Secretary's statutory authority under KRS 42.014 to establish the internal organization and functions of the Cabinet as necessary to perform the duties effectively.
2. The Standard Procedures Manual may only be revised in accordance with the process outlined in Standard Procedure #1.1 entitled: "Finance Standard Procedures and Manual".

I. PURPOSE

To set forth the Finance and Administration Cabinet's notification and reporting requirements for responding to records of control weaknesses (RCW) and records of noncompliance (RNI) received from the Audit of Public Accounts (APA).

II. PROCEDURE

A. Review Process

1. The Agency Head or his/her designee shall notify the Executive Director of OPA of any audit entrance conference with the APA five (5) working days prior to the conference.
2. Upon receipt of an RCW or RNI, the Agency Head or his/her designee shall:
 - a. Ensure the accuracy of the respective document(s);
 - b. Resolve any and all errors;
 - c. Provide OPA with a copy of all RCW or RNI documents;
 - d. Notify OPA of the requested date of completion from APA; and
 - e. Notify the Executive Director of OPA of on all such communications and resolutions.

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B. Response Process

1. The Agency Head or his/her designee shall send the Agency's draft response to the Executive Director of OPA two (2) working days prior to the APA's requested due date. Note that the draft response shall be management's corrective action plan.
2. OPA shall review the Agency's draft response and submit any recommended changes and/or comments to the Agency Head or his/her designee by the next business day.
3. The Agency Head or his/her designee shall send the Agency's final response to OPA and the APA by the requested due date.
4. If the Agency is unable to meet the APA's requested deadline, it shall notify OPA and submit a written justification for the delay, to include a plan for resolution.
5. The Cabinet Internal Audit Committee shall review all RCW and RNI findings, and management's corrective action plans, on an annual basis, and may use them in consideration of the recommended Annual Audit Plan for the Cabinet.

C. Compliance Reviews

1. OPA shall conduct annual compliance reviews to ensure that the Agency has appropriately implemented the management's corrective action plan outlined in the RCW or RNI.
2. The results of OPA's findings shall be communicated to the Office of the Secretary.