

# Alabama Licensing Officials Conference

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Examiners of Public Accounts  
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# Department of Examiners of Public Accounts

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# Department Authority

- ▶ The Department of Examiners of Public Accounts was created in 1947 and placed under the direction of the Legislative Committee on Public Accounts. The Department still operates under the direction of this committee.
- ▶ The Department is governed by the *Code of Alabama 1975*, Sections 41-5A-1 through 41-5A-21.
- ▶ The Department of Examiners of Public Accounts has the authority to audit the books, accounts, and records of all state and county offices, officers, bureaus, boards, commissions, corporations, departments and agencies and to report on expenditures, contracts, or other audit findings found to be in violation of the law.

# EPA County Audit Division Contact Info

- ▶ Division Director - James Hall (334) 242-9200
- ▶ Assistant Division Directors:
  - ▶ Kathy Wren (256) 768-7592
  - ▶ Ashli Page (251) 847-2401, ext. 101
  - ▶ Christina Smith (334) 242-9207
  - ▶ Nikki Morrison (334) 242-9207
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# EPA County Audit Division Managers

- ▶ April Purser (256) 284-1481
  - ▶ Lauderdale, Limestone, Madison, Morgan, Cullman
- ▶ Denise Olive (256) 314-5783
  - ▶ Colbert, Lawrence, Franklin, Marion, Winston
- ▶ Gwyn Griggs (256) 927-8649
  - ▶ Jackson, DeKalb, Marshall, Blount, Etowah, Cherokee
- ▶ Josh Taylor (205) 932-4510
  - ▶ Lamar, Fayette, Walker, Tuscaloosa, Jefferson
- ▶ BriAnna Upchurch (256) 252-8304
  - ▶ Clay, St. Clair, Talladega, Shelby, Jefferson

# EPA County Audit Division Managers

- ▶ David Lane (334) 737-3624
  - ▶ Calhoun, Cleburne, Randolph, Coosa, Tallapoosa, Chambers
- ▶ Shelley Patrenos (205) 652-2285
  - ▶ Pickens, Greene, Hale, Sumter, Choctaw
- ▶ Emily Tyler (334) 295-2241
  - ▶ Bibb, Perry, Marengo, Dallas, Wilcox, Clarke
- ▶ Teresa Dekle (334) 832-7713
  - ▶ Chilton, Autauga, Elmore, Montgomery, Lowndes
- ▶ Tammy Shelley (334) 619-1517
  - ▶ Lee, Macon, Russell, Bullock, Barbour

# EPA County Audit Division Managers

- ▶ Cherie Raffle (334) 677-4768
  - ▶ Pike, Dale, Henry, Geneva, Houston
- ▶ Lynn Otto (334) 347-8820
  - ▶ Butler, Crenshaw, Conecuh, Covington, Coffee
- ▶ Brian Wheeler (251) 937-0338
  - ▶ Washington, Monroe, Escambia, Mobile, Baldwin
- ▶ Please note that you may have a different audit manager, there have been quite a few changes in districts this year.

# Minimum Accounting Requirements (MAR)

- ▶ Purpose - to establish minimum accounting requirements and standardized reporting for offices of Judges of Probate and Revenue Commissioners.
- ▶ Legal Authority - 41-5A-21 - Officers to keep uniform accounts
  - ▶ Every state and county officer shall keep the books, records and accounts and make the reports of his or her office in accordance with the systems, procedures, and forms as may be prescribed by the chief examiner pursuant to this chapter. Any officer who fails or willfully refuses to comply with this section shall be liable for a penalty of up to two hundred fifty dollars (\$250) for each week the failure or refusal continues. Penalties imposed and collected under this section shall be paid into the General Fund of the State Treasury.



# Minimum Accounting Requirements (MAR)

- ▶ Printed MAR mailed to officials in November 2016
- ▶ MAR for Probate Judges and Revenue Commissioners have sections applicable to Licensing Officials
- ▶ Requires annual report submissions to Examiners office by December 31 of each year (for the fiscal year ending September 30)
- ▶ As of today, officials should have submitted:
  - ▶ 12/31/17 - for 10/1/2016-9/30/2017
  - ▶ 12/31/18 - for 10/1/2017-9/30/2018
  - ▶ 12/31/19 - for 10/1/2018-9/30/2019

# Minimum Accounting Requirements

## 14. End of Fiscal Year Requirements

Each Judge of Probate shall submit the following information electronically to the Department of Examiners of Public Accounts at the end of each fiscal year:

- A. Certificate of Compliance with Minimum Accounting Requirements
- B. Cashbook detailing receipts, disbursements and balances for all funds maintained by the Judge of Probate
- C. September 30<sup>th</sup> Bank Reconciliation for all accounts
- D. Returned Check Register for all accounts
- E. Summary of Receipts and Disbursements

The information shall be emailed to the Department of Examiners of Public Accounts using the following email address:  
[ProbateJudges@examiners.alabama.gov](mailto:ProbateJudges@examiners.alabama.gov)

**The end of year required information is to be submitted to the Department of Examiners of Public Accounts no later than December 31<sup>st</sup>, following the end of each fiscal year.**

**Certificate of Compliance  
Office of Judge of Probate<sup>1</sup>  
Minimum Accounting Requirements**

I, \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ County, hereby certify  
(Title of Official)  
that my Office **IS** in compliance with the Minimum Accounting Requirements for the  
Office of Judge of Probate, as prescribed by the Chief Examiner of the Department of  
Examiners of Public Accounts for the fiscal year ended September 30, \_\_\_\_\_

**OR**

I, \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ County, hereby certify  
(Title of Official)  
that my Office **IS NOT** in compliance with the Minimum Accounting Requirements for the  
Office of Judge of Probate, as prescribed by the Chief Examiner of the Department of  
Examiners of Public Accounts for the fiscal year ended September 30, \_\_\_\_\_

Please list any areas of noncompliance:


Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

<sup>1</sup> - This certificate of compliance also applies to any other license issuing official or entity, including but not limited to License Commissioners.

# Minimum Accounting Requirements (MAR)

- ▶ Only the information listed under End of Year Requirements has to be submitted annually.
- ▶ List any areas you are not in compliance with on the Certificate of Compliance. Areas of Compliance include:

Individual Daily Cash Checkup Sheets	
Summary Checkup Sheets	Remittances
Cashbook	License and Decal Inventory
Refunds	Credit Cards & Online Transactions
Bank Reconciliations - all accounts	Tax Levies
Returned Check Register	Chart of Accounts
Voided and Modified Transactions	Special Funds

- ▶ PLEASE contact your audit manager with any MAR questions/problems

# Recent Findings

Ref. No.	Finding/Noncompliance
2017-001	<p data-bbox="372 429 1793 872"><b><u>Finding:</u></b> <i>Minimum Accounting Requirements for the Office of Judge of Probate</i>, prescribed by the Chief Examiner of Public Accounts, require bank accounts to be reconciled on a monthly basis and an accurate analysis of amounts on hand to be prepared. Any differences or reconciling items should be investigated in a timely manner. The License Division bank account was not reconciled monthly and an analysis of the balance was not prepared. As a result, differences were not investigated and resolved in a timely manner.</p> <p data-bbox="372 943 1793 1158"><b><u>Recommendation:</u></b> Bank accounts should be accurately reconciled on a monthly basis. An analysis of amounts on hand should be prepared and any differences or reconciling items should be investigated and resolved in a timely manner.</p>

# Recent Findings

<b>Ref. No.</b>	<b>Finding/Noncompliance</b>
2014-001	<p data-bbox="443 425 596 468"><b><u>Finding:</u></b></p> <p data-bbox="443 482 1758 958">Minimum Accounting Requirements for the Office of Judge of Probate prescribed by the Chief Examiner of Public Accounts require the bank balance of each account maintained in the Office to be reconciled to the cashbook monthly and an analysis of amounts on hand to be provided. Bank balances for the General and Ad Valorem accounts, including an analysis of amounts on hand, were not correctly reconciled to the cashbook monthly. The lack of an accurate reconciliation caused numerous discrepancies between the bank balance and cashbook balance during the examination period. As a result, differences were not investigated and resolved in a timely manner.</p> <p data-bbox="443 1025 759 1068"><b><u>Recommendation:</u></b></p> <p data-bbox="443 1082 1758 1178">All bank accounts should be reconciled to the cashbook monthly and an analysis of amounts on hand should be prepared.</p>

# Recent Findings

Ref. No.	Finding/Noncompliance
2018-001	<p data-bbox="405 401 1750 943"><b><u>Finding:</u></b> Minimum Accounting Requirements for the Office of Judge of Probate, as prescribed by the Chief Examiner of Public Accounts, require bank balances to be reconciled to the cashbook monthly, accompanied by an analysis of amounts due to be on hand. The official bank accounts were not reconciled monthly and an accurate analysis of amounts due to be on hand was not maintained. Because the accounts were not reconciled timely, errors could not be identified and corrected in a timely manner. This resulted in various errors and unidentified amounts which were corrected at the conclusion of the examination. This finding appeared in the prior examination as Finding 2015-001.</p> <p data-bbox="405 1001 1750 1158"><b><u>Recommendation:</u></b> All bank accounts should be reconciled to the cashbook monthly and an analysis of amounts on hand should be maintained.</p>

# MAR - Bank Reconciliations

## 5. Bank Reconciliation

All bank accounts must be reconciled to the cashbook monthly. An analysis must be made of all balances on hand. As of the last day of the month, there will typically be some amounts not due to be remitted. These amounts will not be paid out until a subsequent period. Additionally, there will also be other reconciling items such as the cumulative total of cash over or short, the total uncollected returned checks, bank interest not remitted and bank charges.



Judge of Probate \_\_\_\_\_ Bank Reconciliation  
 Account No. 000-000-00  
 Any Bank  
 September 30, 20XX

Balance Per bank Statement \$ \_\_\_\_\_

Less: Outstanding Checks

Date	Check #	Payee	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Outstanding Checks (\$ \_\_\_\_\_)

Plus: Deposits in Transit

Date	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Deposits in Transit \$ \_\_\_\_\_

Adjusted Balance per Bank Statement \$ \_\_\_\_\_ \*\*

Analysis of Bank Balance

Amounts Over/(Short)	
Returned Checks	\$ _____
Amounts Not Due To Be Remitted *	_____
Interest Not Remitted	_____
Bank Charges	_____
Total	\$ _____ **

\* Amounts collected but not remitted as of the end of the month.  
 \*\* These balances should equal.

This is the part that is frequently not completed. Any balance in account @ month end should be identified.

Do not stop with the Adjusted balance

## Bank Reconciliation-General Account

Alabama Bank - General Account # XXXXXXXXX

Balance per Bank Statement 9/30/2018 142,692.70

Add: Deposits in Transit

9/28/2018 5,562.60

9/28/2018 14,087.73

IRS Tax Leins 96.00

Credit Card Transfers 18,567.47

9/28/2018 10,896.13

Sub-Total Deposits in Transit 49,209.93

Less: Outstanding Checks - see attached list (1,275.30)

Less: Subsequent Remittances Related to Examination Period

September 1-30, 2018 collections, checks written 10/15/2018 (190,534.40)

Adjusted Bank Balance 9/30/2018 92.93

### Analysis of Balance

Check Orders (1,535.11)

Bank Service Charges (76.00)

teller over/ shortage (298.96)

Paypal Refunds 70.47

NSF Checks collected from accts that have been closed 777.10

Paypal Fees 1,155.43

Total Analysis of Balance 92.93

# How to speed up the examination process:



Provide cashbook and/or remittance reports on fiscal year basis instead of just monthly



Have reports available in spreadsheet format, not only as a pdf or printed whenever possible



Ensure reports are complete, do not have files missing or incomplete



Prepare summary cash checkup sheets that tie to cashbook or individual daily cash checkup sheets



Adequately document voided transactions and/or refunds

# How to speed up the examination process:



Completely reconcile all bank accounts



Maintain and update the outstanding check list



Maintain a returned check register



Document and ensure transfers from satellite office/other accounts are correct and reconcile to receipts



Reconcile credit card transfers from CC company to bank account



Document all fees charged



Ensure fee changes (per law, etc.,) are implemented correctly

Questions??

