



MEMORANDUM

October 5, 2004

TO: All Audit Supervisors
FROM: Audit Managers

SUBJECT: Findings vs. Other Items Discussed

As all of you are probably aware, the Field Fiscal Services Section in the Division of Family and Children Services (DFCS) has commented, and rightfully so, that we have not always been consistent as an office in the way we have presented deficiencies in our audit reports. Similar, and sometimes even the same issues have been presented in the Findings and Questioned Costs section in some of our reports and in the Overview section as “other items discussed” in others. Further, we understand from discussions with some of you that some attendees at Audit Exit Conferences attempt to “negotiate” moving items proposed for the Findings and Questioned Costs section of the report to the “other items discussed” section. In an effort to alleviate these inconsistencies and troublesome circumstances we want to effect the following procedures regarding the inclusion of reportable conditions as Findings or “Other Items Discussed” in our audit reports, beginning with our first DFCS report for fiscal year ending June 30, 2004.

Findings and Questioned Costs: This section should include reportable conditions that result from failures to follow the requirements of any policy, procedure, rule, mandate, law, regulation, etc. whether promulgated by the division or office under audit, the State of Georgia, the Federal Government, the AICPA, Government Auditing Standards, etc. In other words, if we have specific criteria to site for reportable conditions, we will include them in our reports as Findings. To eliminate any auditor judgment or opinion, and to further promote consistency in our audits among sections, any violations of policies, procedures, etc. (whether one instance or more) should be cited as findings.

Other Items Discussed: This section should include suggestions to the audited agency for improvement in procedures, processes, methods, practices, etc. for which we do not have specific criteria to site.

c: Mr. Larry T. Ricks, Director, Office of Audits
Mr. Alan Davis, Director, Fiscal Services Section
Ms. Sylvia Sloan, Unit Chief, Fiscal Services Section
Ms. Camille Harvin, Unit Chief, Fiscal Services Section