

# NMDGF

## Fiscal Year 2013 Financial Statements & Audit Report



- State Auditor has approved and released the Department's Fiscal Year 2013 financial statements.
- State rule requires that the Department present the approved financial statements to the State Game Commission for approval.
- This presentation is an overview of the report presented for approval.



# Navigating the Financial Statement Report

- Management's Discussion and Analysis:
  - ✓ Provides a narrative representation of the information provided in the financial statements.
- Financial Statements:
  - ✓ Provides detailed information regarding the Agency's revenues, expenditures, assets and liabilities from an Agency-wide perspective
- Supplemental Information & Schedules:
  - ✓ Provides information that supports the financial statements
- Single Audit:
  - ✓ Provides information regarding the Agency's expenditures of Federal Awards



## Results of the Audit

- A summary of audit results can be found on pages 74-85 of the fiscal year 2013 report.

### Basic Financial Statements:

- Resolved and eliminated one control deficiency (payroll deductions) from the previous fiscal year.
- Repeated and modified a significant deficiency (journal entry review) from previous fiscal year.



# Results of the Audit

(Basic Financial Statements)

- 2012-01: Control Deficiency:
  - ✓ **Resolved**: Payroll deductions for one employee did not match (paperwork v. accounting system)
  
- 2012-02: Significant Deficiency:
  - ✓ **Repeated and modified**: Incorrect journal entry was made impacting cash and the “suspense liability” account. Reviewed and implemented additional processes for validating journal entries and year-end trial balances to verify account balances are correct.



# Results of the Audit

## Federal Awards (Single Audit)

- Two material weaknesses and one significant deficiency found for the fiscal year 2013 single audit.
- 2013-02: Material Weakness:
  - ✓ New: The Department's "Federal Schedule of Federal Awards" (SEFA report) did not reconcile to the State's book of record (SHARE) regarding allowable federal expenditures and revenues received. The Department has implemented a new process for the establishment of the SEFA report, including verification of data utilized and entry of information into the SEFA prior to submission to external auditors.



# Results of the Audit

## (Single Audit)

- 2013-003: Material Weakness:
  - ✓ New: Federal revenue received and amount of allowable federal expenditure revenue was out of balance. The Department has implemented and memorialized vigorous reconciliation processes to be completed prior to federal “draw-downs” to verify reimbursement request(s).



# Results of the Audit

(Single Audit)

- 2013-004: Significant Deficiency:
  - ✓ New: Payroll entries into the Department's federal payroll tracking system did not match those provided by employees. The Department has developed robust reconciliation and verification processes for ensuring that payroll entries are accurate and match those submitted by employees.





# Results of the Audit

- Auditors expressed an “unmodified opinion” regarding the Agency’s basic financial statements
- Auditors expressed an “modified opinion” regarding the Agency’s federal awards



Questions?

