

2010 NASCA Annual Meeting

Durango, Colorado



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*Arkansas Natural
Resources Commission*



Arkansas



Look how far we've come!



Conservation District Thefts in Arkansas







*Total amount stolen
in three years:*

*from 2002 through 2005
Over \$170,000 in five districts*



Employee Theft

-  Extra paychecks to themselves
-  Unauthorized/personal purchases
-  No leave time taken when absent
-  Unauthorized credit card opened in district's name



Recent Problems

- ? 2006 – One new employee caught by the Agency Controller writing herself extra paychecks. This was detected during financial review six months after employee had started work. Total amount - \$1,700
- ? 2008 – One employee had excessive travel to Little Rock that could not be validated. Total amount - \$1,800
- ? 2009 – NO FINDINGS AT ALL!

WOW – what a difference training and financial reviews make!

Overview of Financial Policies Implemented in Arkansas

- ? Two signatures required on all checks
- ? No blank checks signed
- ? No signature stamps allowed on checks
- ? No debit cards allowed (violates two signature requirement)
- ? Board members review supporting documentation for all purchases
- ? Directors review original bank statement and cancelled checks at each meeting
- ? Directors review and sign timesheets and leave slips

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Actions

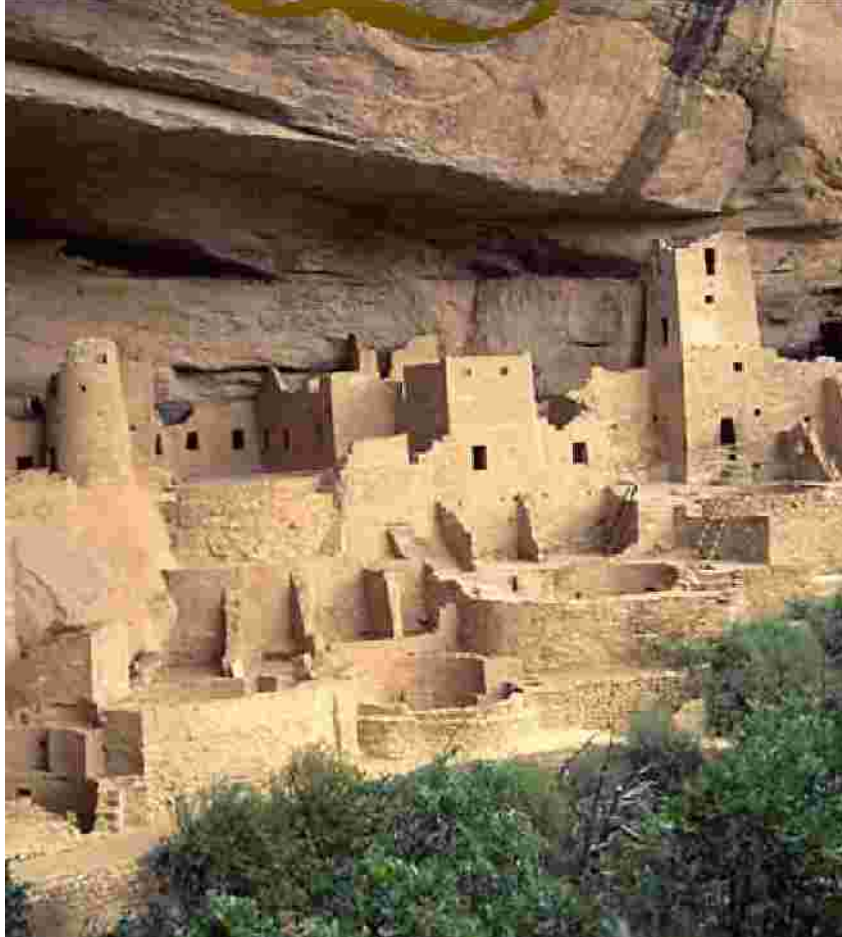
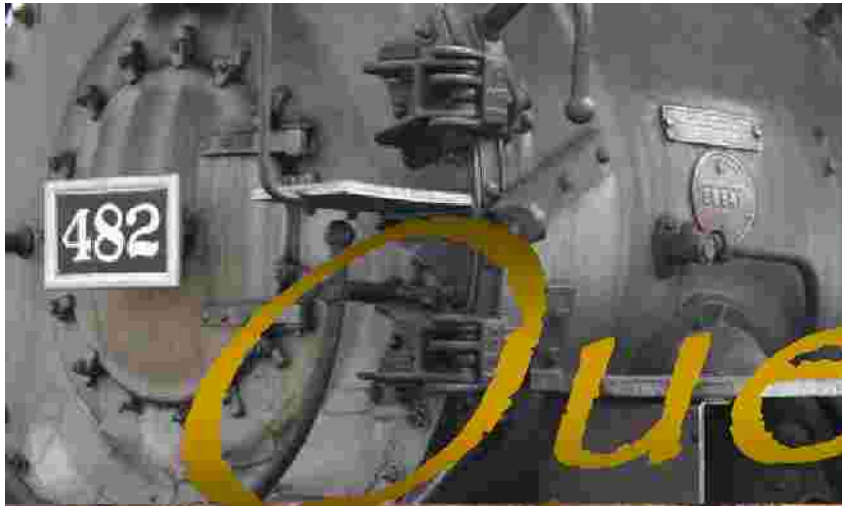
- ? Agency Controller performs financial reviews on 15-20 districts each year.
- ? Land Resource Specialist review financial records at each district
- ? District grading system revised to incorporate business practices – funding will be impacted if financial policies are not implemented and followed
- ? Developed training manual for all district employees that incorporates the rules and regulations, all forms used by the employees, sample personnel policies, timesheets, etc
- ? Utilize student accounting interns and the Agency Controller to conduct Agreed Upon Procedures on every conservation district every other year.

Agreed Upon Procedures

- ? Agency Controller and legislative audit worked together to develop agreed upon procedures designed specifically for conservation districts.
- ? Student interns conduct these AUPS in an effective and efficient manner.
- ? The cost savings to the district is approximately \$500 per district.

Agreed Upon Procedures

- ? Proof of Cash
- ? Cash receipts test
- ? Cash disbursements test
- ? Schedule of all checks written to employees for two year period
- ? Review of all credit card statements
- ? Review of property, plant and equipment
- ? Personnel test



Questions