

Grays Harbor College

Agency 648

Audit Report	Finding Number	Finding and Corrective Action Status	
1033140	2022-001	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>Grays Harbor College lacked adequate internal controls to ensure its financial statements and related schedules were accurately prepared and reviewed.</p> <p>Due to the turnover of key finance employes, the College experienced a significant constraint that affected year-end closing and resulted in the financial statement errors.</p> <p>The College immediately corrected the errors identified by the auditors and has since implemented procedures to improve year-end closing, financial statement preparation and review processes. Specifically:</p> <ul style="list-style-type: none"> <li>• Re-designated the Controller position as subject matter expert in the finance pillar, with the new Associate Director as backup.</li> <li>• Improved collaboration and engagement by the Controller with the State Board for Community and Technical Colleges (SBCTC) to promptly troubleshoot system bottlenecks in the finance pillar that could result in transactional errors.</li> <li>• Scheduled all College finance pillar employees to participate in the SBCTC year-end training with other employees in the same functional areas within the college system. For those with financial statement preparation responsibilities, professional development exploration is continuing for additional external training in governmental accounting, GAAP and GASB statements.</li> <li>• Created a control document to track and monitor the timely and accurate preparation and review of financial statements and related schedules. The document:                         <ul style="list-style-type: none"> <li>○ Enumerates and maps all financial statement accounts to subledgers and supporting documentation.</li> <li>○ Assigns responsibilities for the accounts based on designated employees' roles and how the roles feed into the financial statements.</li> <li>○ Specifies the frequency of account reconciliation, such as monthly, quarterly, or yearly, for each account to be completed by the responsible employee.</li> <li>○ Assigns review responsibility for each account and requires sign-off on the control document as evidence of review.</li> </ul> </li> <li>• Established a new process to periodically review general ledger interface setups within the accounting system. The periodic reviews should ensure the interface is accurately setup and feeding into the correct financial statement accounts.</li> </ul> <p>June 2023, subject to audit follow-up</p>

**State of Washington - Office of Financial Management  
Status of Audit Resolution  
December 2023**

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<b>Audit Report</b>	<b>Finding Number</b>	<b>Finding and Corrective Action Status</b>	
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