



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Financial Audit Division

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Procedural Review

# Arizona Historical Society

As of February 28, 2013

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**Debra K. Davenport**  
Auditor General

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AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

August 29, 2013

Anne I. Woosley, Ph. D., Executive Director  
Arizona Historical Society

We have performed a procedural review of the Arizona Historical Society's internal controls in effect as of February 28, 2013. Our review consisted primarily of inquiries, observations, and selected tests of internal control policies and procedures, accounting records, and related documents. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on the effectiveness of internal controls or ensure that all deficiencies in internal controls are disclosed.

Specifically, we reviewed cash receipts, cash disbursements, purchasing, payroll, journal entries, transfers, capital assets, collection items, and compliance with Arizona Revised Statutes.

As a result of our review, we noted certain deficiencies in internal controls that the Society's management should correct to ensure that it fulfills its responsibility to establish and maintain adequate internal controls. Our findings and recommendations concerning these deficiencies are described in the accompanying summary.

The Office of the Auditor General is also conducting a performance audit and sunset review of the Arizona Historical Society. The results of that audit will be issued on a subsequent date.

This report is intended solely for the information and use of the Society and is not intended to be and should not be used by anyone other than the specified party. However, this report is a matter of public record, and its distribution is not limited.

Should you have any questions concerning our procedural review, please let us know.

Sincerely,

Jay Zsorey, CPA  
Financial Audit Director

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# FINDING 1

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## The Society should strengthen its controls over cash receipts

The Society received revenues from admission and entry fees, gift store sales, facility rentals, and publication and reproduction fees from its seven operating museums throughout the state. Cash was collected and recorded through the use of cash registers, a point of sale (POS) system, or manual records. During the review period of July 1, 2012 through February 28, 2013, the Society collected revenues of approximately \$290,000, or 45 percent of nonappropriated monies, from these sources. Therefore, since cash receipts are significant to the Society, and cash is susceptible to loss or theft, it is imperative that the Society adequately control and safeguard these monies. Further, the State of Arizona Accounting Manual (SAAM), Sections II-C-1 and II-Q, requires all state agencies to maintain written policies and procedures for cash receipts that include adequate separation of responsibilities among employees and volunteers handling cash receipts, endorsing checks immediately upon receipt, safeguarding cash receipts prior to deposit, restricting cash and safe combinations to essential personnel, and depositing monies in a timely manner.

### Lack of policies and procedures over cash receipts

The Society has not developed written cash receipt policies and procedures describing how its museums should separate responsibilities, ensure monies collected are safeguarded, complete daily independent reviews of cash receipts, and deposit monies in a timely manner. Instead, each museum developed its own formal or informal procedures, and as a result, auditors found weaknesses in the internal controls over cash receipts for some museums. In addition, auditors found that employees and volunteers at most museums were not familiar with the SAAM requirements.

### Lack of internal controls over museum cash receipts

Our review of the procedures at the individual museums found internal control deficiencies over cash receipts at four of the Society's seven operating museums. Specifically, auditors noted that two museums did not immediately endorse checks upon receipt; one museum allowed voids and refunds to be completed by the same employee or volunteer who collected and recorded receipts

in the POS system without approval; two museums deposited cash and checks only every 2 weeks; and none of the four museums had an independent employee or volunteer review cash receipts on a daily basis. According to the Society's staff, they were unaware that checks should be immediately endorsed upon receipt. In addition, according to the Society's management, the Society did not have enough employees to review receipts on a daily basis and to deposit cash and checks at least weekly. However, at most of the museums auditors reviewed, there were other employees or volunteers who could review cash receipts on a daily basis.

## Inadequate safeguarding of cash receipts

Our review found that four of the Society's seven operating museums did not always adequately safeguard cash receipts. Specifically, auditors found that two of the museums stored cash receipts in the cash drawer instead of securing them in a separate location, such as a locked safe, prior to deposit; one museum stored cash receipts in an unlocked box overnight; and one museum included the combination to its safe in written procedures that were stored in an unlocked drawer at the front desk.

## Lack of internal controls over donations

The museums have locked donation boxes where visitors can donate monies to support the museums. During our review, auditors found that internal controls over these donations were inadequate for three of the seven museums since the donation box monies were opened, counted, and recorded by one person. In addition, for one of the seven museums, several employees had access to the donation box. As a result of these control deficiencies, donated monies were also susceptible to loss or theft.

## Recommendations

To help strengthen controls over cash receipts and comply with the SAAM, the Society should:

1. Develop detailed written cash receipt policies and procedures for all museums and distribute them to all society employees and volunteers responsible for handling cash.
2. Require employees and volunteers to endorse checks immediately upon receipt.
3. Require that voided transactions and refunds be authorized by a second employee.
4. Require that cash receipts be reviewed daily for accuracy and completeness by another person.

5. Require each museum to deposit cash and checks at least weekly.
6. Require cash receipts to be adequately safeguarded prior to deposit. This could include locking cash receipts in a safe or filing cabinet.
7. Ensure that safe combinations are restricted to an essential number of employees.
8. Require two people to be present when donation boxes are opened, counted, and recorded.





# FINDING 2

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## The Society should maintain an accurate capital assets listing

As of June 30, 2012, the Society had approximately \$6.2 million reported in the State's Fixed Asset System (FAS) for capital assets. The SAAM, Section II-G-1, requires each agency to adequately safeguard capital assets by conducting an annual inventory and recording additions and disposals of capital assets on the FAS. It also provides detailed policies for agencies to follow. Specifically, purchases of capital assets should be recorded on the FAS within five working days from the date the asset was paid for. In addition, all tangible assets, to the extent practical, should have property tags attached to them with unique property identification numbers or otherwise identified as state property. Lastly, the property identification number, description, and location of the asset should be recorded on the FAS.

## No procedures for conducting a complete physical inventory of capital assets

Based on our review, auditors determined the Society had not conducted a complete physical inventory of its capital assets for fiscal year 2012. Instead, the physical inventory was limited to only computer-related capital assets. Also, the inventory sheets were not submitted to the Society's accounting office, which prevented the Society from reconciling the inventory to its internal listing and the FAS. As such, auditors were unable to determine the completeness and accuracy of the Society's capital assets reported on the FAS. Since a complete physical inventory had not been conducted, the Society's capital assets were exposed to potential theft or misuse. In addition, the capital asset amount reported to the General Accounting Office (GAO) for inclusion in the State's financial statements may be inaccurate.

## Additions and disposals of capital assets not properly recorded on the FAS

During the review period of July 1, 2012 through February 28, 2013, the Society purchased three capital assets. For two of these three additions, the assets were not recorded on the FAS within five

working days. Instead, these two assets were recorded on the FAS approximately six months after they were purchased. The Society's management was unaware that capital asset purchases are required to be recorded within this time frame. Auditors also determined that property disposal request forms were not approved by a second employee. Further, these forms were not submitted to the Society's accounting office, which prevented the Society from updating its internal listing and the FAS. This lack of internal controls could also cause the reported capital asset amount to be inaccurate.

## Capital assets not properly identified

Auditors selected three capital assets from the Society's FAS listing and determined that the Society could not locate them by using the property identification numbers or locations listed on the FAS. The Society indicated that two of the three capital assets may have been disposed of since they were purchased over 14 years ago; however, the Society could not provide supporting property disposal request forms. For the third asset, auditors determined that the Society recorded three printers under one property identification number instead of assigning a unique property identification number to each individual printer. In addition, the descriptions and locations of the printers recorded in the FAS were not detailed enough to enable the Society to locate them. As a result, the three capital assets selected from the FAS listing may be improperly included on the FAS.

## Recommendations

To help maintain an accurate capital assets listing and comply with the SAAM, the Society should:

1. Perform a physical inventory of capital assets at least once a year.
2. Submit the inventory sheets to the Society's accounting office and reconcile them to the internal listing and the FAS.
3. Add new capital assets to the FAS within five working days from the date the warrant was issued.
4. Require a second employee to approve property disposal request forms and submit the forms to the Society's accounting office so the internal listing and the FAS can be updated.
5. Tag each capital asset item individually or otherwise identify it as state property.
6. Record the property identification numbers, descriptions, and locations of the capital asset items in enough detail on the internal listing or the FAS in order to find them in the museums.

# FINDING 3

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## The Society should strengthen its controls over collection items

The Society reported having more than 110,000 three-dimensional items, including natural history items from the former Mining and Mineral Museum. The Society also possessed over a million items in its library and archives collection. As of June 30, 2012, the Society reported that its collections had a value of \$55 million. Given the large size and unique nature of its collections, the Society should properly safeguard and record these items. According to the SAAM, qualifying collections are not required to be capitalized as assets. However, as stewardship resources, a listing of these items should be retained. Additionally, the SAAM requires that agencies conduct a physical inventory of these items annually, and retain related acquisition documents throughout the life of the items. Further, the total collection value must be submitted biannually to the State's Risk Management Division in order to determine insurance coverage and premiums.

## The Society did not have a centralized listing of collection items

The Society recorded and tracked its collection items using a combination of methods including collection management software, electronic databases, and a card catalog system. Since the collection information is stored in multiple formats, the Society was unable to compile a single centralized listing of collection items. Further, for 1 of 22 collection items selected for test work, the Society did not record the item on its collection management software. Therefore, auditors were unable to verify the completeness and accuracy of the total number of collection items the Society possessed.

## No procedures for conducting physical inventory

Our review found that the Society had not conducted a complete physical inventory of its collection items in over 10 years. Auditors also determined that the Society's collection policy does not include any guidelines or requirements for conducting a physical inventory. Beyond the SAAM's requirement,

museum standards<sup>1</sup> recommend that inventories should be conducted every 3 to 5 years. However, the Society's management indicated it was unaware of the SAAM's requirement and further stated it was not practical to conduct complete inventories of its collections annually. Since a complete inventory had not been conducted, the Society's collections were exposed to potential theft or misuse.

## Ownership documentation for some collection items missing

The Society either purchased collection items or acquired them through donations. A deed of gift agreement or legal letter that transfers unrestricted ownership rights to the Society was required for donated items and a purchase receipt was required for purchased items. For 13 of 42 collection items selected for test work, the Society could not locate the documentation supporting the Society's rights to ownership.

## Collections not properly valued

Our review found that a value was not assigned for each individual collection item acquired. Specifically, donated items that did not have donor-assigned fair values or outside, independent appraisals were recorded with a zero value. As a result, the amount reported to the State's Risk Management Division may be incomplete, and therefore, the Society's insurance coverage and premiums may be insufficient and inaccurate.

## Recommendations

To help strengthen controls over collection items and comply with the SAAM, the Society should:

1. Compile and maintain a single centralized listing of all collection items and retain an off-site backup copy.
2. Ensure that all items are recorded using the collection management software, electronic databases, or card catalog system, as applicable.
3. Collaborate with the State's General Accounting Office (GAO) to develop an acceptable time frame for conducting a physical inventory that is more in line with industry best practices. In addition, incorporate this physical inventory time frame and procedures within the Society's collections policy.

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<sup>1</sup> The American Association for State and Local History (2009). *Standards and Excellence Program for History Organizations*. Nashville, TN: Author.

4. Retain all documentation relating to the acquisition of collection items, including the deed of gift or purchase receipt.
5. Coordinate with the GAO and the State's Risk Management Division to ensure that the Society has a reasonable method for valuing its collections that also ensures proper insurance coverage and premiums.



# FINDING 4

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## The Society should comply with Arizona Revised Statutes

The Society maintained a private bank account that was separate from its State Treasurer account. During our review, auditors examined the Society's board minutes and determined that the Society's Board approved opening this private bank account on May 9, 1997. According to the Society's management, the Society established this private bank account based on A.R.S. §41-821(E), which provides that, "The [Society] treasurer shall have custody of the monies of the society, other than legislative appropriations. The treasurer shall hold the monies of the society deposited in trust for the society's use and for the benefit of this state and shall disburse them only as prescribed by law and the bylaws of the society." However, based on review of A.R.S. §35-142(Q), which became effective in 2004, the Society was required to obtain State Treasurer approval for the private bank account. Auditors determined that the Society had authority to establish the private bank account for nonappropriated monies when the account was initially set up on May 9, 1997. However, the Society should have obtained the State Treasurer's approval to maintain the account after subsection Q of A.R.S. §35-142 was enacted.

In addition, A.R.S. §41-826 established the Society's revolving fund with the State Treasurer and provided that all monies received from the operation of gift and book shops, food service facilities, and charges for the use of or admission into any of the Society's facilities shall be deposited, pursuant to A.R.S. §§35-146 and 35-147, into this fund. A.R.S. §41-826 was enacted in 1992, but language in subsection B was added in 2002 requiring that such money should be deposited with the State Treasurer according to A.R.S. §§35-146 and 35-147. Consequently, when A.R.S. §41-826(B) became effective, the Society no longer had authority to deposit monies in its separate bank account. However, the Society still deposited all nonappropriated monies into the private bank account. Those monies related to admissions, gift store sales, and facility rental revenues were transferred to the State Treasurer monthly. However, as described in A.R.S. §35-146(A), all monies should be promptly deposited with the State Treasurer and no monies should be held or deposited into any special bank account temporarily.

## Recommendation

To help ensure that the Society complies with statutes, the Society should deposit all monies promptly with the State Treasurer and should close its private bank account. Further, the Society should monitor changes to governing statutes to help ensure it complies with them.

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# FINDING 5

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## The Society should comply with state travel policies

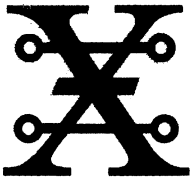
The Society is required to follow Section II-D of the SAAM to verify that travel reimbursements comply with the provisions of the State's travel policies. Auditors selected five travel claims for test work and noted instances of noncompliance on three of the claims, as follows:

- The employee claimed per diem for two days of meals totaling \$118, even though meals were included as part of the conference and at no additional cost to the traveler. However, as outlined in the SAAM, the traveler was not entitled to a meal allowance for substantial meals provided free at a state institution, on an airplane, in conference registration fees, or on a complimentary basis by the facility at which one is lodged.
- The employee requested reimbursement for other expenses of \$38.86 and \$45.00 but did not substantiate the business purpose or allowability of these expenditures. The SAAM requires the Society to ensure that travel expenses incurred are necessary, appropriate, and add value to the State. However, auditors could not determine if these expenses were in fact necessary and appropriate based on the lack of supporting documentation.
- The employee requested reimbursement for lodging expenses related to her own room and for an additional room shared by two other employees. When lodging is shared, the SAAM requires that each traveler obtain a separate original receipt for his or her portion of the lodging cost to facilitate the filing of separate travel claims. The SAAM also includes alternative procedures if the lodging establishment cannot issue separate receipts. However, these procedures were not followed.

## Recommendation

The Society should review travel claims to ensure compliance with the SAAM travel policies. In addition, the Society should ensure that its employees are aware of the SAAM travel policies.





ArizonaHistoricalSociety.org

# ARIZONA HISTORICAL SOCIETY

Founded by an Act of the First Arizona Territorial Legislature in 1864

August 23, 2013

## Executive Offices and Publications

949 E. 2nd St.  
Tucson, AZ  
85719  
520-617-1169

## Arizona History Museum

949 E. 2nd St.  
Tucson, AZ  
85719  
520-628-5774

## AHS Museum at Papago Park

1300 N. College Ave.  
Tempe, AZ  
85281  
480-929-0292

## Pioneer Museum

2340 N. Fort Valley Rd.  
Flagstaff, AZ  
86001  
928-774-6272

## Sanguinetti House Museum and Gardens

240 S. Madison Ave.  
Yuma, AZ  
85364  
928-782-1841

**LET'S MAKE HISTORY!**



Jay Zsorey, CPA  
Financial Audit Director  
Office of the Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85016

Mr. Zsorey,

The Arizona Historical Society has reviewed your audit of our internal controls. We appreciate the work that you put into our review and will use it as a tool to help improve our internal procedures.

AHS' comments and responses to your findings follow this letter. Your review of areas considered to be deficient at some level will be corrected. Additionally, where appropriate, AHS will work with other agencies to enlist their assistance.

Again, thank you for your assistance in improving our service delivery.

Sincerely,

William Ponder  
AHS-CAO

Finding 1: The Society should strengthen its controls over cash receipts

To help strengthen controls over cash receipts and comply with the *State of Arizona Accounting Manual* (SAAM), the Society should:

1. Develop detailed written cash receipt policies and procedures for all museums and distribute them to all society employees and volunteers responsible for handling cash;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: the Society has written cash policies and procedures in place. The policies will be updated with additional, detailed procedures that comply with SAAM which include and/or emphasize separated responsibilities; safeguarding cash; daily review of cash receipts by second employee/volunteers; endorsing checks immediately upon receipt; restricting access to cash and safe combinations; and weekly deposits of all cash and checks.**

2. Require employees and volunteers to endorse checks immediately upon receipt;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**As noted above, policy will require staff and volunteers to endorse all checks upon receipt.**

3. Require that voided transactions and refunds be authorized by a second employee;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Pursuant to item "3", to ensure all staff is aware of the cash receipts policy, on-site re-training will be held at each museum by the Society's comptroller who will review current policies and procedures, discuss relevant changes, and their implementation. The policies will include a section on segregation of duties on the POS system as all locations are transferring from a manual receipt process to the automated POS system. The importance of not allowing staff or volunteers who collect cash to enter voids without proper approval will be stressed.**

4. Require that cash receipts be reviewed daily for accuracy and completeness by another person;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: due to staffing constraints, there is only one person working at each of the two Tucson branch museums. Another staff member visits the branch museum on a regular basis to verify cash receipts and count funds in donation boxes.**

5. Require each museum to deposit cash and checks at least weekly;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**The Society will ensure that cash and check deposits are made weekly.**

6. Require cash receipts to be adequately safeguarded prior to deposit. This could include locking cash receipts in a safe or filing cabinet.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**As previously stated, Society policies will include safeguarding cash receipts. Staff will be re-trained and appropriate safe-holding equipment/receptacles will be identified and utilized.**

7. Ensure that safe combinations are restricted to an essential number of employees; and

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Re-training will include restricting access to safe combination to essential personnel.**

8. Require two people to be present when donation boxes are opened, counted, and recorded.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**The policy regarding donation boxes will be revised to require the presence of two individuals when boxes are opened, monies counted and recorded. It will also limit access to donation boxes by essential personnel only.**

Finding 2: The Society should maintain an accurate capital assets listing

To help maintain an accurate capital assets listing and comply with the SAAM, the Society should:

1. Perform a physical inventory of capital assets at least once a year;

**The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.**

**The Society will perform a complete physical inventory of all capital assets at each location annually with the exception of its collections. Staff will be re-trained regarding process and procedures. Following inventorying, the FAS will be updated to ensure the inventory is accurate and complete.**

2. Submit the inventory sheets to the Society's accounting office and reconcile them to the internal listing and the State's Fixed Asset System (FAS);

**The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented.**

**As in "1", the Society will perform a complete physical inventory of all capital assets at each location annually except its historic collections. Staff will be re-trained in process and procedures. The FAS will be updated to ensure completeness and accuracy.**

3. Add new capital assets to the FAS within 5 working days from the date the warrant was issued;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Policy will require that all capital assets be added to FAS within 5 working days of the date the warrant is issued.**

4. Require a second employee to approve property disposal request forms and submit the forms to the Society's accounting office so the internal listing and the FAS can be updated;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**All additions and disposals to the FAS will be completed in accordance with SAAM. All disposals will require approval by an authorized employee prior to a transfer to surplus property. A copy of the surplus property transfer will be sent to accounting as soon as it occurs which permits updating of the FAS and internal fixed asset listing. This policy does not pertain to the accessioning or deaccessioning of the Society's museum and archival collections.**

5. Tag each capital asset item individually or otherwise identify it as state property; and

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**As Society policy, all capital assets will be tagged or otherwise identified as state property.**

6. Record the property identification numbers, descriptions, and locations of the capital asset items in enough detail on the internal listing or the FAS in order to locate them in the museums.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Policies and Procedures will require that all property be properly identified with numerical descriptions and locations in order to locate it in the Society's internal listing or in FAS. The capital asset listing will also be updated to include a more detailed description and location of each asset.**

Finding 3: The Society should strengthen its controls over collection items

To help strengthen controls over collection items and comply with the SAAM, the Society should:

1. Compile and maintain a single centralized listing of all collection items and retain an off-site backup copy;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**The Society is in process of developing an electronically linked data platform that will provide a centralized listing of collections. The creation of a centralized master list will be backed up by a secondary copy at another Society location should the original be lost or damaged.**

2. Ensure that all items are properly recorded using the collection management software, electronic databases, or card catalog system as applicable;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: the Society has developed comprehensive protocols for Past Perfect software for statewide collections management. As previously stated, the Society is moving toward a statewide information sharing platform (Flagstaff, Tempe, Tucson, and Yuma). Until recently, file sharing was limited by technology infrastructure, bandwidth, and individual software licensing. That is changing. The agency is standardizing software, purchasing networked licenses, and planning for expanded server space, implementing a statewide Wi-Fi system, and updating policies and procedures for managing information technology.**

**In the past year, the agency's website <http://www.arizonahistoricalsociety.org> has dramatically improved in the scope of its content, search ability, and links to resources and social media. Collection-related content is uploaded on a weekly basis. As Past Perfect software is networked statewide, museum databases will be uploaded. These actions will provide for a centralized database.**

3. Collaborate with the State's General Accounting Office (GAO) to develop an acceptable time frame for conducting a physical inventory that is more in line with industry best practices. In addition, incorporate this physical inventory time frame and procedures within the Society's collections policy;

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: Society collections contain over 1,175,500 records, many of which consist of multiple items. If one person worked eight hours every day, forty hours per week only on inventory (that is, simply counting the objects), that individual would have to tally 565 records per hour. Clearly, this is not a sustainable task. The Society has initiated discussions with GAO to determine a method appropriate to inventorying its extensive museum and archival collections.**

4. Retain all documentation relating to the acquisition of collection items, including the deed of gift or purchase receipt; and,

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: These documents are already treated as permanent agency records. Accession records are listed as agency "essential records" in the updated retention schedule.**

5. Coordinate with the GAO and the State's Risk Management Division to ensure that the Society has a reasonable method for valuing its collections that also ensures proper insurance coverage and premiums.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Note: this is an extremely complex topic with no single resolution. The Society has initiated discussions with GAO and Risk Management to determine a course of action.**

Finding 4: The Society should comply with Arizona Revised Statutes

To help ensure that the Society complies with statutes, the Society should:

1. Deposit all monies promptly with the State Treasurer and close its private bank account; and

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**



**The Society has initiated discussions with the State Treasurer's Office to request approval for its agency bank account and use of Chase Bank as its servicing bank. With approval, the Society will deposit non-appropriated funds in AFIS and will close its non-approved account.**

2. Monitor changes to governing statutes to ensure it complies with them.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**Accounting staff attend all training/updating classes offered by the State to remain current on relevant policies and procedures.**

Finding 5: The Society should comply with the state travel policies

1. The Society should review travel claims to ensure compliance with the SAAM travel policies and ensure that its employees are aware of the SAAM travel policies.

**The finding of the Auditor General is agreed to and the audit recommendation will be implemented.**

**The Society will provide re-training relevant to travel policies for all employees. Accounting staff will continually update their knowledge of State travel policies, and carefully review all travel claims. Staff submitting travel forms with claim errors will be instructed and counseled by accounting staff to make required corrections before resubmitting.**

