



Alcorn State University

Vice President for Business Affairs

www.alcorn.edu

February 6, 2007

Ms. Jamie Goodwin, CPA
Office of the State Auditor
Audit Manager, Education Division
PO Box 267
Greenville, MS 38702

Dear Ms. Goodwin:

Please find enclosed the Corrective Action Plan for audit findings related to our financial statements for fiscal year 2005-2006.

If you need additional information, please do not hesitate to contact me.

Sincerely,

Claudine Gee
Vice President for Business Affairs

CG:tr

Enclosures

XC: Dr. Malvin A. Williams, Interim President
Alcorn State University

Mr. Kaiser Brown, Partner
Banks, Finley and White
Certified Public Accountant
308 Highland Park Cove
Ridgeland, MS 39157



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Finding

Corrective Action Plan Details

- Finding 1**
- a. Name(s) of Contact Person(s) Responsible for Corrective Action:**
- Cassandra Lewis, Director of Accounting (601) 877-3905
Kedrich Claiborne, Accountant (601) 877-3906
- b. Corrective Action Planned:**
- Alcorn State University will perform quarterly and year end payroll reconciliation, with adequate documentation maintained.
- c. Anticipated Completion Date:**
- This will be completed at each fiscal year end closeout by July 15.
- Finding 2**
- a. Name(s) of Contact Person(s) Responsible for Corrective Action:**
- Cassandra Lewis, Director of Accounting (601) 877-3905
Kedrich Claiborne, Accountant (601) 877-3906
- b. Corrective Action Planned:**
- Alcorn State University will to ensure that the necessary year end accruals are entered in the accounting system.
- c. Anticipated Completion Date:**
- This will be completed at each fiscal year end closeout by July 15.
- Finding 3**
- a. Name(s) of Contact Person(s) Responsible Corrective Action:**
- Eric Turner, Coordinator of Payroll (601) 877-6497
Bernadette Coleman, Assistant Coordinator of Payroll (601) 877-3721

b. Corrective Action Planned:

Alcorn State University continuously review internal control procedures to ensure that proper documentation is maintained to support payroll transactions recorded in the accounting system.

c. Anticipated Completion Date:

Procedures will be ongoing during the fiscal year to ensure the accuracy of the accounting records and the documentation is properly maintained.

Finding 4

a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Twayne Stewart, Bursar (601) 877-6152
Angela Wynn, Assistant Bursar (601) 877-6161

b. Corrective Action Planned:

We will incorporate the auditor's recommendations as policies and procedures are revised.

c. Anticipated Completion Date:

This will be executed at each biweekly and monthly payroll period.

Finding 5

a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Eric Turner, Coordinator of Payroll (601) 877-6497
Bernadette Coleman, Assistant Coordinator of Payroll (601) 877-3721

b. Corrective Action Planned:

Alcorn State University provided documentation supporting the reason for the discrepancies that were noted by the auditors. Changes made to an employee's pay rate is documented in writing and approved by an authorized official of the University.

c. Anticipated Completion Date

Completed.

Finding 6 a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Theodora Rowan, Comptroller (601) 877-2420
Cassandra Lewis, Director of Accounting (601) 877-3905
Kedrich Claiborne, Accountant (601) 877-3905

b. Corrective Action Planned:

Alcorn State University will maintain and make available to auditors adequate documentation to support the financial statements and the notes to the financial statements.

c. Anticipated Completion Date:

August 15 for every year.

Finding 7 a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Theodora Rowan, Comptroller (601) 877-2420
Henry Moore, Director of Business Service (601) 877-4185
Cassandra Lewis, Director of Accounting (601) 877-3905

b. Corrective Action Planned:

Alcorn State University will review procedures and monitor the process to ensure that the costs reported for Capital assets, repairs and renovations reported by the State Office of Building, Grounds and Real Property Management are recorded.

c. Anticipated Completion Date:

The costs will be recorded and reconciled on a semiannual basis and at year end.

Finding 8 a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Theodora Rowan, Comptroller (601) 877-2420
Henry Moore, Director of Business Service (601)
Jerry Sims, Property Officer (601) 877- 6475
Cassandra Lewis, Director of Accounting (601) 877-3905

b. Corrective Action Planned:

Alcorn State University will strengthen its procedures to ensure all capital assets acquisitions during the year are capitalized.

c. Anticipated Completion Date:

The costs will be recorded and reconciled on a semiannual basis and at year end.

Finding 9

a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Henry Moore, Director of Business Service (601) 877-4185
Deberay Carmichael, Director of Grants and Contracts (601) 877-6377

b. Corrective Action Planned:

The University has implemented procedures to monitor the reimbursement from restricted sources. Restricted accounts receivables will be evaluated to determine collectibility.

c. Anticipated Completion Date:

Procedures will be ongoing during the fiscal year to ensure the accounts receivables are evaluated to determine their collectibility.

Finding 10

a. Name(s) of Contact Person(s) Responsible for Corrective Action:

Callie Johnson, Human Resource Director (601) 877-6188

b. Corrective Action Planned:

The University will strengthen its procedures to ensure that annual leave and sick leave hours are recorded correctly in the accounting records. However, we disagree that annual leave and sick leave hours were calculated incorrectly based on the individual employee rate. The end-of-year accrual rollover for Bi-Weekly is delayed because of the timing of the last payroll run which is processed the first week in July. This timing difference is not material. A prior auditor (May & Company) had a similar concern and after review it was determined that the process was acceptable.

c. Anticipated Completion Date:

Processes will be ongoing during the fiscal year to ensure that employee leave records are reconciled with the accounting records.