



**JACKSON STATE UNIVERSITY**  
JACKSON, MISSISSIPPI 39217

OFFICE OF THE SENIOR VICE PRESIDENT  
FOR FINANCE & OPERATIONS

(601) 979-2323  
FAX NO. (601) 979-2948

Finding                      Corrective Action Plan Detail

**Findings Related to the Financial Statement**

2006-JSU-1    a.    Name(s) of Contact Person(s) Responsible for Corrective Action:

Troy Stovall, Sr. VP of Finance and Operations, (601) 979-3060  
Sherry L. Wilson, Controller, (601) 979-2010

b.    Corrective Action Planned:

The University understands the importance of periodic reconciliations, especially its cash position, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Using online balances of our banking partners, the University will ensure daily cash balances reflect general ledger activity;
- Each month reconciliations of all operating, investing, payroll and grant accounts will be completed by the 15<sup>th</sup> of the following month;
- Each of these reconciliations will be reviewed and signed off by the Comptroller and Sr. VP (Chief Financial Officer) of JSU.

c.    Anticipated Completion Date:

The anticipated completion date of the corrective action is June 30, 2007.

2006-JSU-2

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

Troy Stovall, Sr. VP of Finance and Operations, (601) 979-3060  
Sherry L. Wilson, Controller, (601) 979-2010

The University understands the importance of ensuring accuracy of the balances of our investment accounts, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Leverage the online capabilities of our investment institutions to perform weekly review of account activity is properly posted;
- Twice per month reviews with the University Assistant Treasurer (responsible for investment management) to ensure the accurate and timely posting of investment activity (e.g., purchases, sales, interest, and dividends);
- Each month reconciliations of all investment accounts will be completed by the 15<sup>th</sup> of the following month;
- Each of these reconciliations will be reviewed and signed off by the Comptroller and Sr. VP (Chief Financial Officer) of JSU.

- c. Anticipated Completion Date:  
The anticipated completion date of the corrective action is June 30, 2007.

2006-JSU-3


- a. Name(s) of Contact Person(s) Responsible for Corrective Action:  
Troy Stovall, Sr. VP of Finance and Operations, (601) 979-3060  
Sherry L. Wilson, Controller, (601) 979-2010
- b. Corrective Action Planned:

The University understands the importance of ensuring accuracy of the balances of our fixed assets, and has implemented several steps to ensure this occurs:

- Monthly reviews with Facilities Management and Inventory Management to ensure the proper adjustments are made for construction-in-progress and fixed asset disposal and additions;
- The required data will be forwarded to the State of MS each month to ensure proper recording is done.

- c. Anticipated Completion Date:  
The anticipated completion date of the corrective action is June 30, 2007.

Sincerely yours,



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(University Official)



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January 30, 2007

Mr. Michael Bruno  
Bruno and Trevalon  
6424 Lakeover Rd  
Suite A  
Jackson, MS 39213

Dear Mr. Bruno:

Please find enclosed the management response to the FY-2006 audit report. Jackson State University (JSU) takes very seriously the need to ensure the processes and policies required for the integrity of the financials are in place and acted upon.

We appreciate the time and commitment of your staff in working with us to develop the FY-2006 statements.

Sincerely,

Troy A. Stovall  
Sr. Vice President

Enclosure

### **Cash Reconciliations Were Not Reported and Reviewed Timely**

The University understands the importance of periodic reconciliations, especially its cash position, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Using online balances of its banking partners, the University will ensure that daily cash balances reflect general ledger activity;
- Each month reconciliations of all operating, investing, payroll and grant accounts will be completed by the 15<sup>th</sup> of the following month;
- Each of these reconciliations will be reviewed and signed off by the Comptroller and Sr. Vice President (Chief Financial Officer) of JSU.

### **Recordation and Consistent Reconciliation of Investment Activities**

The University understands the importance of ensuring accuracy of the balances of its investment accounts, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Leverage the online capabilities of its investment institutions to perform weekly review of account activity is properly posted;
- Twice per month reviews with the University Assistant Treasurer (responsible for investment management) to ensure the accurate and timely posting of investment activity (e.g., purchases, sales, interest, and dividends);
- Each month reconciliations of all investment accounts will be completed by the 15<sup>th</sup> of the following month;
- Each of these reconciliations will be reviewed and signed off by the Comptroller and Sr. Vice President (Chief Financial Officer) of JSU.

### **Differences in Fixed Assets Reconciliations**

The University understands the importance of ensuring accuracy of the balances of its fixed assets, and has implemented several steps to ensure this occurs:

- Monthly reviews with Facilities Management and Inventory Management to ensure that proper adjustments are made for construction-in-progress and fixed asset disposal and additions;
- The required data will be forwarded to the State of Mississippi each month to ensure proper recording is done.

### **Lack of Sufficient Review of Financial Data**

The University understands the importance of ensuring accuracy of the information contained in its financial statements, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Each month, the Business and Finance team meets for several hours reviewing the financials of the University;
- Each quarter, a financial presentation will be prepared and delivered to the JSU Cabinet on the fiscal health of the University.

### **Financial Statement Preparation**

The University understands the importance of ensuring accuracy of the information contained in its financial statements, and has implemented several steps to ensure this occurs:

- Hired an Assistant Comptroller, whose primary responsibility will be reconciliation and preparation of financial statements;
- Each month, the Business and Finance team meets for several hours reviewing the financials of the University;
- Each quarter, a financial presentation will be prepared and delivered to the JSU Cabinet on the fiscal health of the University
- Per the recommendation of the Auditor, financial statements for December 31, 2006, will be prepared.

### **Management Anti-Fraud Programs and Controls**

The University understands the importance of ensuring processes and policies are in place for fraud prevention, and have implemented several steps to ensure this occurs:

- Review and revision of all accounting procedures has been developed;
- Ensure all Business and Finance managers and staff are aware and trained on SAS No. 99;
- Review with its Information Technology personnel to ensure all electronic safeguards are in place for its ERP system (Banner);
- Have all Business and Finance employees sign an “anti-fraud” document as part of their yearly contract renewal with JSU.

**Lack of Follow-up and Correct Previously Identified Internal Weaknesses**

Each of the previously reported items – cash reconciliations, construction-in-progress and investment activity – has been identified in the FY-2006 findings and the accompanying action plan has been detailed for each of these in the above relevant section.