
Human Rights Commission (HRC)

Agency: 120

Audit Report: 6659

Finding Number: 001

Finding: The Washington State Human Rights Commission does not have adequate internal controls over disbursements and cash-receipting.

Resolution: The Commission wrote and, effective July 2007, implemented new procedures for handling cash receipts and vendor payments. Both procedures are in compliance with the *State Administrative and Accounting Manual*. The Commission also provided the necessary training to staff involved with these new procedures.

In the new procedures, the Commission utilizes available staff as well as accounting services by Office of Financial Management's Small Agency Client Services (SACS) to segregate duties and establish controls over receipts and vendor payments.

The significant aspects of the cash receipt procedure are:

- Two staff are required to open the mail and log receipts.
- Checks are restrictively endorsed immediately.
- All receipts are sent to SACS within 24 hours.
- SACS handles the deposits and accounting entries.
- A third staff person reconciles the monthly accounting reports to the receipt logs.

The significant aspects of the vendor payment procedure are:

- Commission staff reviews all invoices and travel vouchers; verifies receipt of goods and compliance with travel and other regulations; and attaches supporting documentation.
- Director reviews and initials all invoices.
- SACS verifies approvals, enters data into accounting system, and mails warrants.
- Commission staff reconciles payment register with original listing of invoices.

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