

STATE OF NORTH CAROLINA
Office of the State Auditor



Ralph Campbell, Jr.
State Auditor

2 S. Salisbury Street, Raleigh, NC
Mailing Address: 20601 Mail Service Center
Raleigh, NC 27699-0601
Telephone: (919) 807-7500
Fax: (919) 807-7647
Internet <http://www.osa.state.nc.us/osa>

PRESS RELEASE

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For additional information contact:

Ralph Campbell, Jr., State Auditor
(919) 807-7500
rcampbel@ncauditor.net

State Auditor Ralph Campbell Completes Review of Treasurer's Accounts

RALEIGH _ The State Treasurer's Office is overseeing accounts valued at \$66,696,961,000, a review by the Office of the State Auditor indicates.

State law requires that the accounts held by the Treasurer's Office be audited whenever a new state treasurer takes office. The new treasurer is then charged, or given the responsibility for, the balance in the treasury.

Harlan Boyles, who had been state treasurer since 1977, retired at the end of 2000, and was replaced by Richard Moore, who won the office in the November general elections.

State Auditor Ralph Campbell praised former treasurer Boyles and his staff for their cooperation in the audit, which began in December 2000.

"Treasurer Boyles and his staff cooperated fully in this historic audit," Campbell said. "We have found that office to be very professional in its dealings with our auditors, not only on this rather unusual review, but other audits throughout the years."

The Treasurer's Office manages the retirement funds for state employees, teachers and local government workers, as well as other state investments.

In studying the financial practices of the Treasurer's Office, auditors made several recommendations for improving its operations.



Those recommendations included conducting a physical inventory of all the department's fixed assets such as furniture and equipment. A physical inventory of those assets throughout the department has not been updated since 1997.

In addition, auditors recommended the office make changes in its fixed asset records to more accurately reflect the value of those assets.

The report also recommends changes in handling abandoned property. The Treasurer's Office, through its escheats section, holds unclaimed cash, securities and objects until a rightful owner can be found. Interest earned on the unclaimed property finances college scholarships for needy students.

The audit report noted that the office is three months behind in recording details about the owner for property it receives, and needs to make changes in how objects such as old coins or watches are handled.

In his response to the audit report, Treasurer Moore said he appreciated former treasurer Boyles' "prudence and stewardship" in handling the state's funds.

The department said it already has started making changes to answer the concerns raised by the audit report.

Copies of the report may be obtained by calling the Office of the State Auditor at 919-807-7500. It also will be available on the office's web site at www.osa.state.nc.us. Printed copies of the report can be obtained by filing a request under the Audits section of the web site.

