Financial Review

Districts no longer are required to have an audit by a certified public accountant.

Each district will have agreed upon procedures conducted by a certified public accountant or a delegate appointed by the Commission.

The commission will contract with CPAs or its delegate to conduct these agreed upon procedures across the state.

See Fact Sheet 18
Proof of Match

Proof of match is a part of the Agreed Upon Procedures in Lieu of an Audit

The form documents match and assumes that the district has a procedure in place to capture match
Direct Site Visit

An annual site visit will be conducted by your Land Resource Specialist or a CPA to review financial records.

The review is not an audit but it resembles an audit in some ways.
Site Review

Bank Statements & Cancelled Checks
- Review cancelled checks for dual signatures
- Review cancelled checks for independent, authorized dual signatures
- Review cancelled checks for any unusual expenditures
- Document via schedule all checks written to employees
- Select various checks each month to review supporting documentation

Bank Reconciliations
- Compare reconciled bank balance to ledger/checkbook balance monthly
- Select one month and create bank reconciliation to compare to district reconciliation
Site Review

Review general ledger detail for accuracy if applicable

Supporting Documentation for Selected Checks

- Review supporting documentation for all employee and board travel reimbursements
- Review supporting documentation for D.C. reimbursements, if applicable
- Review documentation for board member meeting reimbursements
- Review supporting documentation for all large expenditures
- Select a random sample of various monthly expenditures to review documentation
- Review supporting documentation for all credit card payments during the time period reviewed
- Review supporting documentation for all fixed asset purchases
Site Review

Board of Director Minutes

Review minutes for each meeting held during the time period
Verify that the following items were included in the minutes
Board member attendance and absence
Salary rate & salary increase information
Board approval of non-routine expenditures (purchases of fixed assets, etc.)
Documentation of financial statement review and approval
Documentation of non-routine travel by staff and board member
Site Review

Listing of staff and wage rates

Compare wage rates to documentation in personnel file

Compare wage rates to documentation in board of director minutes

W-2’s

Recalculate annual wages based on documented pay rate, frequency of pay and hours worked
Site Review

Timesheets

- Compare hours worked to approved work schedule
- Verify timesheet completeness and accuracy
- Validate frequency of pay
- Review for board member approval
- Recalculate gross pay based on hours on timesheet & documentation pay rate
Site Review

Leave Records

- Compare leave accruals to personnel policies
- Review for board member approval
- Compare leave taken to time sheets
- Recalculate leave balance throughout the time period reviewed
Site Review

Cash Receipts

Review cash receipts to ensure all incoming funds are receipted

Select a sample of cash receipts to trace to a validated deposit slip

Select a sample of bank deposits to trace to cash receipt
Site Review

Listing of All Credit Card Accounts

Supporting Documentation for Credit Cards
  Review all credit card bills and receipts during the time period reviewed

Petty Cash
  Count petty cash & receipts on hand at time of visit
  Review petty cash records for time period reviewed
Site Review

Personnel Policies

Review existing personnel policies for completeness

Compare leave accruals & holidays in personnel policies to actual leave accruals on timesheet & leave records
Site Review

Annual Financial Statement

- Compare beginning balance to ending balance for previous year
- Compare ending cash balance to reconciled cash balance on June 30 bank statement
- Review financial statement for unusual items

Inventory Listing
Site Review

Monthly Financial Statements

- Compare monthly transaction report/financial statement to reconciled cash balances
- Verify financial report included in minutes

Travel Policies

Proof of Match

- Review supporting documentation for match indicated on Proof of Match form