

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 chedule long-term debt and verify changes in all balances for the year. these agreed upon procedures across the state

Guidelines for Conducting Agreed-Upon Procedures For Arkansas Soil & Water Conservation Cash and Investments

- A. Perform a proof of cash for the year and reconcile year-end bank balances to book balance. B. Confirm with depository institutions the cash on deposit and investments.

- C. Agree the proof of cash ending balances to the book balances within 5% or \$500, whichever is a A. Agree the deposits per the proof of cash for the year with the deposits per the journal within 5% o B. Agree 25 cash receipts to validated deposit.
- Disbursements

- A. Agree the disbursements per the proof of cash for the year with the disbursements per the journal v B. Analyze all property, plant and equipment disbursements.
- C. Analyze all payroll and travel disbursements.
- D. Validate employee pay rates.
- E. Analyze all credit card disbursements.
- Property, Plant and Equipment

F. Select twenty-five (25) disbursements and determine if they were adequately documented. A. Determine that additions and disposals were properly accounted for in the records. (Materiality level -

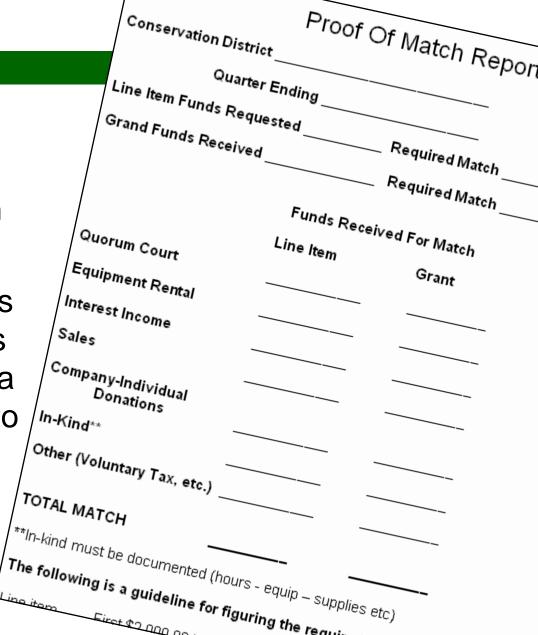
Inventory

- A Select ten (10) match receipts and compare to supporting documentation
- A. Review inventory listing of district owned equipment for date of purchase and serial number of each item.

Arkonsas Association of Conservation Districts See Fact Sheet 18

Proof of Match

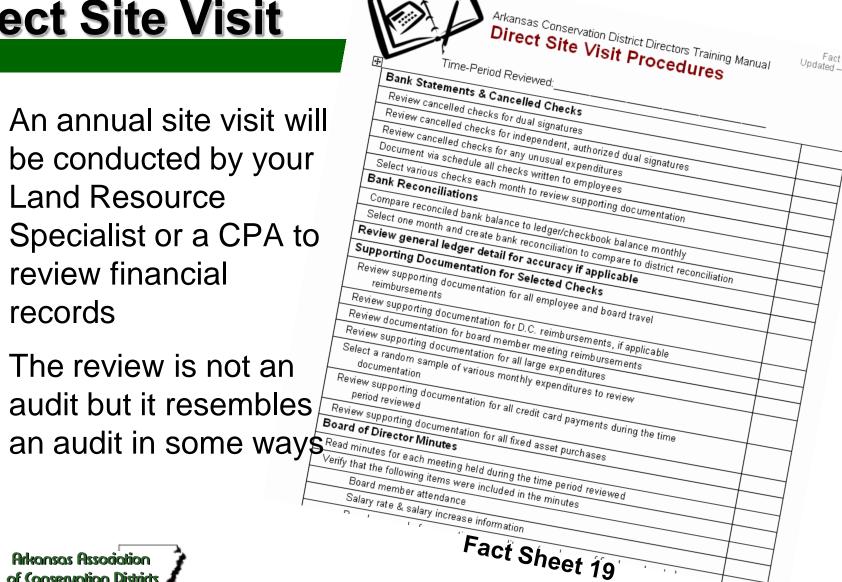
- Proof of match is a part of the Agreed Upon Procedures in Lieu of an Audit
- The form documents match and assumes that the district has a procedure in place to capture match





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





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



- 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





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





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



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



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



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



- 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



Personnel Policies

- Review existing personnel policies for completeness
- Compare leave accruals & holidays in personnel policies to actual leave accruals on timesheet & leave records



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



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

