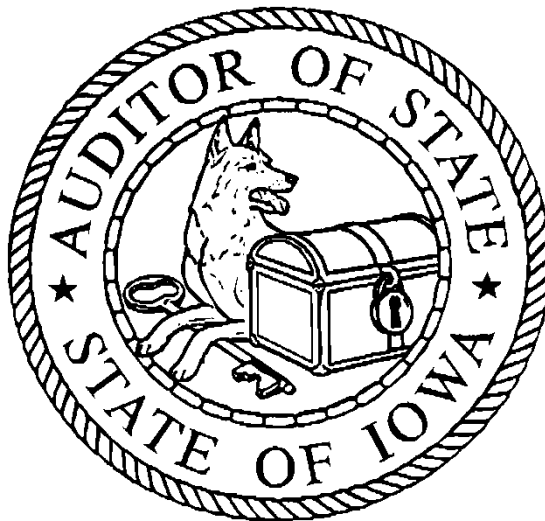


CITY EXAMINATION AGREED-UPON PROCEDURES PROGRAM GUIDE

For the year ended June 30, 2017
(Annual Examination)

or

For the twelve month period ended _____
(Periodic Examination)



MARY MOSIMAN, CPA
AUDITOR OF STATE

CITY EXAMINATION AUP PROGRAM GUIDE**CITY** _____**June 30, 2017 or the twelve month period ended** _____**FILE INDEX**

<u>N/A</u>	<u>Incl.</u>	
_____	_____	GF-1 Planning
_____	_____	GF-2 Planning Conferences
_____	_____	GF-3 Internal Control Checklist
_____	_____	GF-4 Review of Minutes
_____	_____	GF-5 City's Year End Financial Statements/Reports
_____	_____	GF-8 Time Budget and Progress Report
_____	_____	GF-9 Agreed-Upon Procedures (AUP) Program Guide
_____	_____	GF-10 Accounting Problems
_____	_____	GF-11 Conferences (including exit)
_____	_____	GF-12 Items for Comment
_____	_____	GF-13 Items for Next Year
_____	_____	GF-14 Engagement Letter/Representation Letter
_____	_____	GF-17 Routing Sheet
_____	_____	GF-19 W/P Copies Given to City and Outside Parties
_____	_____	GF-20 Pending Matters
_____	_____	GF-21 Review Notes – deleted by _____ Date_____
_____	_____	GF-22 Incharge Review Questionnaire
_____	_____	GF-23 Manager Review Questionnaire
_____	_____	GF-25 Prior Year Report/Status of Prior Year Comments

CITY _____

June 30, 2017 or the twelve month period ended _____

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B.	Cash and Investments
M.	Long-Term Debt
N.	Tax Increment Financing
P.	Fund Balance and Transfers
R.	Receipts
S.	Disbursements and Payroll

CITY _____

June 30, 2017 or the twelve month period ended _____

PLANNING

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: To plan and document planning an examination pursuant to Chapter 11 of the Code of Iowa and as required by <u>Government Auditing Standards</u> and AICPA Attestation Standards (AT-C) Section 105 "Concepts Common to All Attestation Engagements", Section 215 "Agreed-Upon Procedures Engagements" and Section 315 "Compliance Attestation".				
Procedures: A. City's population _____ B. Job number _____ C. Assigned staff: _____ Independent? Manager _____ Incharge _____ Staff _____ D. Timing: Planned Date _____ Actual Date _____ Begin fieldwork _____ Complete fieldwork _____ To Manager _____ E. Document contact information: Mayor: _____ Phone _____ E-mail _____ Clerk: _____ Phone _____ E-mail _____ F. Obtain and file the engagement letter. (AT-C Sections 215.12 to 215.14) G. Inquire as to the existence of findings and recommendations from any previous audits, attestation engagements or other studies that have been performed and determine the current status of any findings or recommendations. H. Review permanent file, if available, for applicable information, including: 1. Administrative and accounting personnel. 2. Organization chart.				

CITY _____

June 30, 2017 or the twelve month period ended _____

PLANNING

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>3. Chart of accounts and accounting manual.</p> <p>4. Long-term leases, contracts and commitments.</p> <p>5. List of officials and terms.</p> <p>I. Conduct entrance conference. Discuss and document pertinent information.</p> <p>J. <u>Municipal Utilities</u> – Separate Municipal Utilities are subject to the same examination requirements as the related City. Accordingly, these utilities should be included in the scope of the City’s examination.</p> <p>1. Determine and document whether a separate Municipal Utility established pursuant to Chapter 388 of the Code of Iowa exists.</p> <p>2. If a separate Municipal Utility exists, determine and document whether the Municipal Utility’s examination will be performed and reported with the City’s examination or whether the Municipal Utility prefers a separate examination and report.</p> <p>3. Municipal Utility examinations, whether part of the City’s examination or separate, should follow the City Examination Agreed-Upon Procedures (AUP) Program Guide.</p> <p>K. Determine whether separately maintained records exist (i.e., separate bank accounts held by a Library, Fire Department, etc.). These separately maintained accounts should be included in the scope of the City examination.</p> <p>NOTE: Legally separate organizations (i.e., fire association, Friends of the Library, etc.) which are potential component units should not be included in the scope of the City examination.</p> <p>L. Request the City assemble all necessary information, records and documents.</p> <p>M. Minutes:</p> <p>1. Scan minutes for significant or unusual items.</p> <p>2. Select four (4) meetings during the year being examined to review whether:</p> <p>a. Minutes were properly signed as required by Chapter 380.7 of the Code of Iowa.</p> <p>b. Meetings were preceded by proper notice in accordance with Chapter 21.4 of the Code of Iowa.</p>				

CITY _____**June 30, 2017 or the twelve month period ended** _____**PLANNING**

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> c. The minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa. d. The passage of ordinances, amendments or resolutions were by a majority vote of all the members of the City Council rather than a majority vote of a quorum of the City Council as required by Chapter 380.4 of the Code of Iowa. e. Minutes document the City Council followed proper proceedings for any closed sessions in accordance with Chapter 21.5 of the Code of Iowa. <ul style="list-style-type: none"> i. The session was closed by affirmative roll call vote of at least two-thirds of the members. ii. The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented. iii. Final action was taken in open session. f. Minutes were published, or posted, within 15 days of the meeting as required by Chapter 372.13(6) of the Code of Iowa and included: <ul style="list-style-type: none"> i. Total disbursements from each fund. ii. A list of all claims allowed, including the reason for the claim. iii. A summary of all receipts. <p>N. Obtain a copy of City's June 30 financial statement(s) and/or reports.</p> <p>O. Verify and review surety bond coverage for reasonableness and compliance with statutory requirements for all officials and employees covered by Chapters 64.13 and 64.15 of the Code of Iowa.</p> <p>P. Internal Control:</p> <ul style="list-style-type: none"> 1. Request the City Clerk complete an internal control checklist. 2. Obtain and document an understanding of the City's internal control procedures and processes. 3. Include findings for internal control weaknesses identified. 				

CITY _____**June 30, 2017 or the twelve month period ended** _____**PLANNING**

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>Q. Inquire of the City's management about whether it is aware of actual or suspected fraud or any allegations (e.g. communications from employees or others). Document results of inquiry.</p> <p>R. Modify/expand on the AUP program guide, as necessary. If the City requests expanded procedures, at additional cost to the City, arrange for increased fees.</p> <p>S. Immediately contact the Manager if fraud or embezzlement is suspected. Ensure the appropriate officials are notified after contacting the Manager. Chapter 11.6 of the Code of Iowa requires a CPA firm and the City to notify the Auditor of State immediately regarding any suspected embezzlement, theft or other significant financial irregularities. If federal funds are involved, the appropriate U.S. Regional Inspector General should be notified.</p> <p>T. Prepare engagement time budget.</p> <p>U. Discuss planning phase with the Manager and document conclusions.</p>				
<p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for planning and the results of these procedures are adequately documented in the accompanying workpapers.</p>				
<p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

CITY _____**June 30, 2017 or the twelve month period ended** _____**PLANNING CONFERENCE****IN ATTENDANCE:**

<u>City</u>		<u>Auditor</u>	
Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ItemsDiscussion

A. Scope of AUP examination:

1. Period of examination.
2. Review engagement letter with City officials, including applicable responsibilities and sufficiency of procedures.
3. Objectives of examination.
4. Inquire whether the City's accounting system accommodates, and the City uses, fund accounting.
5. All funds under fiduciary custody and/or control of the City pursuant to Chapter 384.20 of the Code of Iowa.
6. Additional procedures, if any, at additional cost to the City.
7. Report to be issued, including all AUP findings.
8. The AUP engagement will be conducted as required by AICPA Attestation Standards, Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States.

B. Timing of:

1. Fieldwork.
2. Release of report.

C. Availability of records.

D. Working space arrangements, if applicable.

E. Extent of City assistance.

CITY _____**June 30, 2017 or the twelve month period ended** _____**PLANNING CONFERENCE**ItemsDiscussion

- F. Status of prior findings, if any.
- G. Personnel changes.
- H. Accounting problems during the year.
- I. Related party/business transactions.
- J. Understanding of fee and billing arrangements.
- K. Other discussion items.

Acknowledgement:

Mayor or City Administrator_____
Date_____
Audit Committee or City Council Member_____
Date_____
City Clerk/Finance Director_____
Date

CITY _____**June 30, 2017 or the twelve month period ended** _____**PLANNING CONFERENCE**
MANAGER

Date: _____

Time: _____

ItemsDiscussion

- A. Last year's items for this year's AUP engagement.
- B. Significant findings from planning.
- C. Results of obtaining an understanding of internal controls.
- D. Significant AUP program modifications.
- E. Time budget:
 - 1. Timing of fieldwork.
 - 2. Staff scheduling.
 - 3. Budget variances.
- F. Other.

CITY _____

June 30, 2017 or the twelve month period ended _____

REVIEW OF MINUTES

[illegible]

CITY _____

June 30, 2017 or the twelve month period ended _____

CASH AND INVESTMENTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: <ul style="list-style-type: none"> A. The City Clerk's financial reports to the City Council accurately reflect the City's cash and investments. B. Investments comply with the Code of Iowa and the City's adopted investment policy. Procedures: <ul style="list-style-type: none"> A. Observe cash on hand, if any. B. Obtain one (1) monthly Clerk's report provided to the City Council and determine the report foots and trace ending fund balances to the general ledger. <p>NOTE: A "Clerks report" is a monthly report showing receipts, disbursements, transfers and balances for each fund and in total. Total fund balance for all funds should reconcile to the City's bank reconciliation.</p> <ul style="list-style-type: none"> C. Cash In Bank and Investments: <ul style="list-style-type: none"> 1. Determine whether bank reconciliations are performed monthly. <p>NOTE: The reconciliations should reconcile all bank and investment accounts to total fund balance for all funds.</p> 2. Determine whether bank reconciliations are reviewed by an independent person. 3. Obtain bank reconciliations for two (2) months and perform the following: <ul style="list-style-type: none"> a. Verify reconciling items to support. b. Foot the bank reconciliation(s). c. Consider confirming bank account and investment balances. d. Obtain a list of outstanding checks at the end of the selected month(s). Ensure the list of outstanding checks includes check number, amount and date written for each listed check and verify listed outstanding checks cleared the bank after the selected month(s). e. Trace reconciled balance for selected months to general ledger account balances and to monthly reports provided to the City Council. 				

CITY _____

June 30, 2017 or the twelve month period ended _____

CASH AND INVESTMENTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>4. If bank reconciliations are not performed, perform a reconciliation for at least one month. NOTE: It may be helpful to perform a reconciliation for a second month to determine whether the variance, if any, noted in the first reconciliation is isolated.</p> <p>5. Determine unclaimed property per Chapter 556.1(12) of the Code of Iowa has been reported to the State Treasurer annually before November 1 as required by Chapter 556.11 of the Code of Iowa.</p> <p>6. Determine a depository resolution which includes all depositories used by the City has been approved as required by Chapter 12C.2 of the Code of Iowa.</p> <p>7. Determine if the City has adopted a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa. NOTE: A written investment policy is required, regardless of whether or not the City has investments.</p> <p>8. Obtain a schedule of investment transactions for the same two (2) months (selected in procedure 3 above) and trace investment balances to the bank reconciliations.</p> <p>9. Determine investments held at the end of the selected months complied with the City's adopted investment policy and statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.</p> <p>NOTE: Chapter 12B.10(5) of the Code of Iowa provides a definitive list of allowable investments for cities.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for cash and investments and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

CITY _____

June 30, 2017 or the twelve month period ended _____

LONG-TERM DEBT

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: A. Debt and related transactions are authorized, allowable and accounted for accurately.				
Procedures: A. Determine whether long-term debt exists (bonds, notes, lease-purchase agreements, deferred payment contracts, real estate contracts, loans, TIF development agreements, local option sales tax debt): 1. Determine whether the debt is properly accounted for. 2. Determine general obligation debt payments were recorded in the Debt Service Fund as required by Chapter 384.4 of the Code of Iowa. B. Issuance of Debt: 1. Review authorization for any issuances during the period being examined. 2. Determine and document procedures for bonds or notes sold during the period were in compliance with Chapters 75, 384 and 403.9 of the Code of Iowa. 3. Determine debt proceeds were properly recorded and trace proceeds to cash receipts records and bank statement. C. Determine if the City has established written procedures to monitor compliance with the arbitrage, yield restrictions and rebate requirements under Section 148 of the Federal Internal Revenue Service Rules.				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>				
<u>CONCLUSION:</u>				
We have performed procedures sufficient to achieve the AUP engagement objectives for long-term debt and the results of these procedures are adequately documented in the accompanying workpapers.				
Incharge _____	Date _____			
Manager _____	Date _____			

CITY _____

June 30, 2017 or the twelve month period ended _____

TAX INCREMENT FINANCING

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>Objectives:</p> <p>A. TIF and related transactions are authorized, allowable and accounted for accurately. The annual TIF report has been prepared as required by the requirements of Chapter 384.22 of the Code of Iowa.</p> <p>TIF Obligations (indebtedness) are defined in Chapter 403.19(6)(d) as including, but not limited to, “written agreements whereby the municipality agrees to exempt, rebate, refund or reimburse property taxes, provide a grant for property taxes paid, or make a direct payment of taxes, with moneys in the special fund..., and bonds, notes or other obligations that are secured by or subject to payment from moneys appropriated by the municipality from moneys in the special fund...”</p> <p>Procedures:</p> <p>A. Determine tax increment financing (TIF) collections were properly recorded in a separate Special Revenue Fund (TIF fund) as required by Chapter 403.19 of the Code of Iowa.</p> <p>B. Determine the TIF collections in the TIF fund were disbursed or transferred to pay TIF obligations that qualify for payment (within the urban renewal plan) from TIF collections and such obligations were previously certified to the County Auditor as TIF debt and/or Low-Moderate Income (LMI) housing.</p> <p>C. Obtain a copy of the Urban Renewal Area TIF Indebtedness/Increment Tax Reconciliation prepared by the County Auditor.</p> <ol style="list-style-type: none"> 1. Review the Reconciliation to identify and document the City’s certified TIF obligations. 2. Scan the Reconciliation for unusual or unallowable obligations (i.e., debt certified more than once, projected costs, etc.). <p>D. Determine the following regarding the Tax Increment Debt Certificate due December 1 of the fiscal year under examination:</p> <ol style="list-style-type: none"> 1. The amounts certified on Form 1 and Form 1.1, or equivalent documents, for TIF debt not previously certified are supported and represent loans, advances or other qualified indebtedness or bonds which qualify for payment from the TIF revenues for each urban renewal area in the City as required by Chapter 403.19(6)(a) of the Code of Iowa and the Certificate was filed by December 1. For annual appropriated debt, the amount certified should be limited to the amount appropriated to be paid in the next fiscal year. 				

CITY _____

June 30, 2017 or the twelve month period ended _____

TAX INCREMENT FINANCING

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>NOTE: In general, qualified TIF indebtedness must (1) be for a program in the urban renewal area, (2) be for an activity covered by the allowable list in Chapter 403.6(6) and 403.12(1) of the Code of Iowa, (3) be for a project covered by the plan and (4) further the goals of the plan.</p> <p>2. The City used Form 2, or an equivalent document, to properly reduce the TIF request if/when the total amount of the legally available TIF increment tax was not wanted.</p> <p>3. The City certified Form 3, or an equivalent document, to reduce the amount previously certified by December 1 in the year action was taken which resulted in the reduction, as required by Chapter 403.19(6)(b) of the Code of Iowa.</p> <p>NOTE: Required reductions include payments from sources other than TIF revenue, interest on investments, site proceeds of TIF property, reduction of required principal and interest payments due to refunding or refinancing of the obligation or for any other reason (i.e. interest earned or property sales proceeds are required to be credited to the TIF fund).</p> <p>E. Annual Urban Renewal Report</p> <p>1. Obtain the urban renewal report due December 1 of the fiscal year under examination and determine the:</p> <ol style="list-style-type: none"> Report was approved by the City Council. Report was filed on or before December 1. Amounts reported on the Levy Authority Summary agree with City records. <p>2. Obtain and review the City's detailed TIF obligations (debt) listings and determine "TIF Debt Outstanding" on the Levy Authority Summary includes the following:</p> <ol style="list-style-type: none"> <u>Certified Debt</u> - TIF obligations outstanding, including principal and interest, certified to the County Auditor as of July 1 of the period covered by the urban renewal report and, <u>Certifiable Debt</u> - Outstanding TIF obligations incurred during the fiscal year covered by the urban renewal report, including annual appropriation debt not yet certified. <p>3. Determine rebate agreements, if any, have been properly reported as project(s), including total debt and expense.</p>				

June 30, 2017 or the twelve month period ended _____

[illegible]

CITY _____**June 30, 2017 or the twelve month period ended** _____**FUND BALANCE**

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: <ul style="list-style-type: none"> A. Funds are established in accordance with the City Finance Committee's recommended chart of accounts. B. All required funds and fund balances are maintained and accounted for accurately. C. Transfers between funds are allowable, approved and accounted for. D. The City's AFR is complete and accurately reflects the City's financial information. Procedures: <ul style="list-style-type: none"> A. Determine the City is using fund accounting and each fund is properly classified in accordance with the City Finance Committee's recommended Uniform Chart of Accounts (COA). B. Determine and document the financial information provided to the City Council monthly. Ensure the information provided includes, at a minimum: <ul style="list-style-type: none"> 1. A City Clerk's report showing receipts, disbursements, transfers and balances for each fund. 2. Comparison of actual disbursements to budget by function. C. For Enterprise Funds with deficit balances, determine if there is a net earnings violation (book transfers are made to sinking accounts per the bond/note resolution, but if the operating accounts are in a deficit position, the sinking accounts are not backed by cash) and comment if appropriate. D. Determine if deficits exist in other funds and comment, if appropriate. E. Determine projects are appropriately accounted for in separate capital projects accounts. F. Examine journal entries and other adjustments made directly to the general ledger. <ul style="list-style-type: none"> 1. Select specific journal entries and determine whether: <ul style="list-style-type: none"> a. The journal entries are reasonable and are supported. b. The journal entries are approved by an independent person and there is documented evidence of the approval. 				

CITY _____

June 30, 2017 or the twelve month period ended _____

FUND BALANCE

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>G. For the Annual Financial Report (AFR) for the year ended June 30 falling in the period covered by the examination:</p> <p>1. Compare the AFR to the City's general ledger to determine whether amounts agree.</p> <p>a. Beginning and ending fund balances were reported accurately.</p> <p>b. RUT transactions were reported accurately in a Special Revenue Fund.</p> <p>c. Total receipts and disbursements agreed with City records.</p> <p>d. Judgmentally select 3 receipt line items and 3 disbursement line items from the detail pages to determine if these are supported by the City's records.</p> <p>H. Transfers:</p> <p>1. Obtain a list of all fund transfers during the year.</p> <p>2. Review transfers for propriety and document findings.</p> <p>3. Determine transfers were recorded in the proper fund.</p> <p>4. Trace transfers to approval in the minutes or budget, as applicable.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for fund balances and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

CITY _____

June 30, 2017 or the twelve month period ended _____

RECEIPTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>Objectives:</p> <p>A. Receipts are accounted for accurately and in accordance with the City Finance Committee's recommended Uniform Chart of Accounts (COA).</p> <p>Procedures:</p> <p>A. Verify the City is using the COA to classify receipts in the general ledger.</p> <p>B. Perform a receipts to deposit test for one month (reconciling deposits per the bank statement to general ledger receipts) and consider the possibility of undeposited receipts.</p> <p>C. Property Tax:</p> <ol style="list-style-type: none"> 1. Verify electronic deposit of twelve property tax payments during the year. 2. Trace one month's property tax collections to general ledger posting. 3. Total and trace to budget for reasonableness. <p>D. Governmental Revenue:</p> <ol style="list-style-type: none"> 1. Confirm revenue received from state sources and reconcile amounts per confirmation with the general ledger. <p>E. Enterprise/Ambulance Revenues (Water, Sewer, Electric, Ambulance, etc.):</p> <ol style="list-style-type: none"> 1. Determine if a monthly and/or year-end list of delinquent accounts is maintained and obtain a copy of the listing. If not available, comment accordingly. 2. Determine if monthly reconciliations of billings, collections and delinquent accounts are prepared. <ol style="list-style-type: none"> a. If not available, perform analytical procedures to compare amounts billed to amounts collected and deposited. b. If available: <ol style="list-style-type: none"> a. Apply procedures to determine the accuracy and completeness of the reconciliation for one month and/or at year-end. b. Comment accordingly if variances have not been adequately resolved. 				

CITY _____

RECEIPTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>3. Review City officials' accounts, including the Utility Clerk's account. Trace selected month(s) billing(s) to collection/deposit.</p> <p>F. General:</p> <p>1. Scan ledgers or receipt detail for unusual receipts. Investigate accordingly.</p> <p>2. Scan deposit tickets and evaluate the reasonableness of amounts of currency deposited, considering the types of receipts expected to be received in currency.</p> <p>G. Determine local option sales tax receipts were expended as required by local ballot provisions. Review a copy of the ballot authorizing the local option sales tax.</p> <p>NOTE: If the City cannot locate the LOST ballot, the City should contact the County Auditor to obtain a copy for testing.</p> <p>H. Determine voter approved levies were properly authorized in accordance with Chapter 384.12 of the Code of Iowa.</p>				
<p><u>ALTERNATE/ADDITIONAL PROCEDURES</u></p>				
<p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for receipts and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

CITY _____

June 30, 2017 or the twelve month period ended _____

DISBURSEMENTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: <p>A. Disbursements are approved, supported and accounted for accurately and comply with Article III, Section 31 of the Constitution of the State of Iowa (public purpose criteria).</p> <p>B. The annual budget is authorized, certified and amended, if needed, in a timely manner and disbursements by function are within the budget or amended budget.</p> Procedures: <p>A. Obtain a schedule of all related party transactions with officials or employees and review for compliance with Chapter 362.5 of the Code of Iowa. Include finding(s) for noted conflicts of interest.</p> <p>B. Scan disbursement journal for unusual disbursements. Investigate accordingly.</p> <p>C. Scan all cancelled checks/images looking for checks to City personnel, unusual vendors and "cash."</p> <p>1. Examine checks payable to the City Clerk and other personnel authorized to issue/sign checks.</p> <p>a. Review amount and frequency of checks.</p> <p>b. Determine if checks are appropriate.</p> <p>2. Select five (5) consecutive checks including ACH payments from alternating months (30 checks total) and verify:</p> <p>a. The disbursement is adequately supported.</p> <p>b. The amount and payee on the check match the general ledger posting.</p> <p>c. The disbursement was authorized by the City Council.</p> <p>d. Credit card transactions were approved and properly supported.</p> <p>e. The disbursement was properly classified by function in accordance with the recommended COA.</p> <p>f. The disbursement appears to meet the test of public purpose. For those items which are questionable, the City should have adequate documentation as to how the expenditure(s) meet the test of public purpose.</p> <p>D. Review all bank statements for erasures/alterations and scan for unusual withdrawals and/or checks.</p>				

CITY _____

DISBURSEMENTS

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p>E. If canceled checks are not received, determine whether both the front and back of electronic check images are received as required by Chapter 554D.114(5) of the Code of Iowa.</p> <p>F. Determine the City applied for and received sales tax refunds on completed projects unless an exemption certificate was issued by the City for the contractor as required by Chapter 423.3(80)(b) of the Code of Iowa.</p> <p>G. Budgets:</p> <ol style="list-style-type: none"> 1. Determine the annual budget and amendments, if any, were properly authorized and certified, including whether the notice of public hearing for the original budget and any amendments was properly published in accordance with Chapters 384.16(3) and 384.18(2) of the Code of Iowa. 2. Determine whether disbursements by function are within the budget or amended budget. <p>H. Inquire of management and, when appropriate, those charged with governance, as to the existence of any agreements containing confidentiality clauses.</p> <ol style="list-style-type: none"> 1. Determine if legal counsel agreed to insertion of the clauses. 2. Determine if agreements were properly approved by the City Council. 3. Review the funding source for the payment(s) made under the agreements. <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for disbursements and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

PAYROLL

[illegible]

CITY _____

June 30, 2017 or the twelve month period ended _____

COMPLETION OF AUP ENGAGEMENT

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
Objectives: <ul style="list-style-type: none"> A. Written representations have been obtained from responsible officials. (AT-C 215.28 and 315.25) B. The AUP report has been drafted, including all AUP findings, and discussed with the City. Procedures: <ul style="list-style-type: none"> A. Summarize AUP findings. B. Draft the agreed-upon procedures report, including all findings noted during the AUP engagement. (AT-C 215.35 and 315.26) C. Conduct an exit conference with the City. In addition to the City Clerk and the City Administrator, request the Mayor and/or a City Council Member(s) to attend. Document communication of: <ul style="list-style-type: none"> 1. AUP findings. 2. Accounting problems that may affect the bill. D. If the Mayor and/or a City Council member could not attend the exit conference, document separate communication of the AUP findings to those charged with governance. E. Determine the appropriate date of the agreed upon procedures report. As required by AT-C 215.35(q) and 315.26(r), the report should be dated no earlier than the date on which the procedures have been completed, the findings are determined and the AUP documentation has been reviewed. F. Obtain appropriate written representations signed by the Finance Director, Mayor, City Clerk and/or other appropriate personnel. <ul style="list-style-type: none"> 1. Prepared on City's letterhead. 2. Dated the same date as the agreed-upon procedures report as required by AT-C 215.30. G. Complete the budget and time summary, including an explanation of significant variances from budget and recommendations for next year, if applicable. Note billing instructions, if applicable. 				

CITY _____

June 30, 2017 or the twelve month period ended _____

COMPLETION OF AUP ENGAGEMENT

PROCEDURE	DONE BY	W/P REF	N/A	REMARKS
<p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP engagement objectives for the completion of the AUP engagement and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p>				

CITY _____

June 30, 2017 or the twelve month period ended _____

ACCOUNTING PROBLEMS

[illegible]

CONFERENCES

[illegible]

June 30, 2017 or the twelve month period ended _____

[illegible]

June 30, 2017 or the twelve month period ended _____ **ITEMS FOR NEXT EXAMINATION**

[illegible]

June 30, 2017 or the twelve month period ended _____

WORKPAPER COPIES
GIVEN TO CITY AND
OUTSIDE PARTIES

[illegible]

June 30, 2017 or the twelve month period ended _____

[illegible]

REVIEW NOTES

[illegible]

CITY _____

June 30, 2017 or the twelve month period ended _____ **INCHARGE REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
1. Was the scope of the engagement in accordance with the plan?			
2. Have you informed the Manager of all identified problems that resulted in significant modification to the AUP program and have you obtained the Manager's concurrence with the modifications?			
3. Have you gathered enough evidence to satisfy the AUP program objectives?			
4. Are you satisfied the evidence gathered does not disclose suspicions of abuse, fraud, violations of statutory, regulatory and contractual provisions or other illegal acts other than those noted in the comments of the report?			
5. Have all applicable items in the AUP planning, questionnaires and program been completed and workpapers properly indexed and signed or initialed by those doing the work?			
6. Have all significant unusual or unexpected balances or relationships noted during planning or the course of the engagement been adequately documented?			
7. Has the work of all assistants been thoroughly reviewed?			
8. Have review notes been adequately resolved?			
9. Have you discussed all agreed upon procedures findings with City officials and prepared draft comments for all agreed upon procedures findings, including memoranda regarding this communication?			
10. Has the report routing sheet:			
a. Been completed and signed off?			
b. Been completed for the report distribution section, including addresses for non-City report recipients?			
11. Has a list been prepared of all significant pending matters which must be cleared before issuing the report?			
12. Has the Manager been informed of all pending matters?			
13. Have required engagement evaluation reports been completed by the appropriate person(s)?			
14. Are you satisfied all agreed upon procedures complied with professional standards and office policies?			
15. Have all electronic workpapers been properly stored on the network?			

COMMENTS (required for "No" answers):

Incharge _____ Date _____
 Manager _____ Date _____

CITY _____**June 30, 2017 or the twelve month period ended** _____ **MANAGER REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
1. Have you reviewed the workpapers and do you concur with the conclusions of the incharge?			
2. Have exceptions noted on the Incharge Review Questionnaire been resolved?			
3. Are you satisfied:			
a. The AUP program was properly modified for identified problems?			
b. The judgments and conclusions reached are supported by documented evidence?			
c. All AUP work conformed to the engagement plan, scope and objectives?			
4. Do the workpapers include adequate documentation as to:			
a. Conformity with attestation standards for AUP engagements?			
b. Compliance with office policies?			
5. Have all applicable procedures been performed and signed off?			
6. Have all electronic workpapers been properly stored on the network?			
7. Is there adequate documentation in the workpapers to support the findings?			
8. Is our AUP report addressed to the proper party?			
9. Is the report dated as required by AT-C 215.35(q) and 315.26(r)?			
10. Are you satisfied the AUP engagement did not disclose any suspicions of fraud, violations of statutory, regulatory and contractual provisions or other illegal acts other than those noted in the report findings.			
11. Have the report findings been discussed with appropriate City officials?			
12. Have all findings from the AUP engagement been reported as required by AT 201.25?			
13. Has the report routing sheet been completed?			
14. Does the draft AUP report comply with professional and office reporting standards?			
15. Has a copy of the completed routing sheet, including the report release date, been filed in the GF-17's?			
<u>COMMENTS</u> (required for "No" answers):			
<div style="display: flex; justify-content: space-between;"> <div>Manager _____</div> <div>Date _____</div> </div>			