

CITY \_\_\_\_\_

June 30, 2017 or the twelve month period ended \_\_\_\_\_

**CASH AND INVESTMENTS**

<b>PROCEDURE</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>A. The City Clerk's financial reports to the City Council accurately reflect the City's cash and investments.</li> <li>B. Investments comply with the Code of Iowa and the City's adopted investment policy.</li> </ul> <p><b>Procedures:</b></p> <ul style="list-style-type: none"> <li>A. Observe cash on hand, if any.</li> <li>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.</li> </ul> <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"> <li>C. Cash In Bank and Investments: <ul style="list-style-type: none"> <li>1. Determine whether bank reconciliations are performed monthly.</li> </ul> <p>NOTE: The reconciliations should reconcile all bank and investment accounts to total fund balance for all funds.</p> <ul style="list-style-type: none"> <li>2. Determine whether bank reconciliations are reviewed by an independent person.</li> <li>3. Obtain bank reconciliations for two (2) months and perform the following: <ul style="list-style-type: none"> <li>a. Verify reconciling items to support.</li> <li>b. Foot the bank reconciliation(s).</li> <li>c. Consider confirming bank account and investment balances.</li> <li>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).</li> <li>e. Trace reconciled balance for selected months to general ledger account balances and to monthly reports provided to the City Council.</li> </ul> </li> </ul> </li> </ul>				

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<p>4. If any bank reconciliations are not performed, perform reconciliation for at least one month.</p> <p><b>NOTE:</b> It may be helpful to perform 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.</p> <p><b>NOTE:</b> 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><b>NOTE:</b> 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>				