

DISTRICT 2018 Audit Programs

June 30, 2018

EARLY CHILDHOOD IOWA AREA BOARD

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objectives:</p> <p>A. To audit the Early Childhood Iowa Area Board's financial activity, in accordance with Chapter 256I.5 of the Code of Iowa and the State Early Childhood Iowa Board approved procedures.</p> <p>Audit Procedures:</p> <p>A. Identify if the District is the fiscal agent for an Early Childhood Iowa Area Board.</p> <p>B. Review the audit requirements of Chapter 256I.5 of the Code of Iowa pertaining to Early Childhood Iowa Area Boards.</p> <p>C. Discuss with responsible officials of the Area Board the audit requirements for the Area Board's financial activity.</p> <ol style="list-style-type: none"> 1. Document name of responsible officials. 2. Document the Area Board's decision for conducting a separate audit or procedures performed with the District's audit. 3. Discuss billing arrangements. <p>D. If procedures are to be performed as a part of the District's audit, discuss with the appropriate District officials.</p> <p>E. Perform the State Board approved procedures including:</p> <p>(Note: State Board approved procedures are available at http://www.state.ia.us/earlychildhood/files/toolkit_tools/Tool_UU.pdf)</p> <ol style="list-style-type: none"> 1. Internal controls <ol style="list-style-type: none"> a. Gain an understanding of the programs administered by the Area Board. b. Review relevant policies and procedures established by the Area Board. c. Review and document the Area Board's internal controls. Controls to be reviewed include the following transaction cycles/areas: <ol style="list-style-type: none"> 1) Receipts. 2) Disbursements. 3) Monitoring of provider contracts. 4) Eligibility determinations. 5) Annual financial reporting. 	A				

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<p>2. Obtain the Area Board's summary of financial data included in the annual report. Verify for accuracy and trace to the underlying accounting records. (Note: The annual report is required to be prepared on a GAAP basis.)</p> <p>3. Confirm state receipts and trace amounts into the accounting records. Verify the receipts have been properly distributed between the early childhood and school ready programs.</p> <p>4. Select disbursement items and test for the following:</p> <p>a. The disbursement was properly authorized.</p> <p>b. The disbursement is properly supported. (Note: Provider contracts should be reviewed to ensure documentation requirements are met.)</p> <p>c. The disbursement was charged to the proper program and funding category. See "tools" at http://www.state.ia.us/earlychildhood/local_system/Tools/tool_kit_tools_new.html which document the allowable activities of each program/funding category.</p> <p>1) Early Childhood program (Tool G) – Funding categories:</p> <ul style="list-style-type: none"> • Administrative • Program <p>2) School Ready program (Tool G) - Funding categories:</p> <ul style="list-style-type: none"> • Family support and parent education (Tool FF) • Preschool support for low-income families (Tool CC) • Quality improvement (Tool II) • General Aid (Administrative and other services) (Tool G) <p>d. Scan disbursements for unusual items and items which do not appear to meet or be in agreement with how the funds are to be spent. Investigate and report accordingly.</p> <p>5. Fund balances:</p> <p>a. Verify the fund balances by category reported on the summary of financial data agree with the financial records maintained by the District.</p>					

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<ul style="list-style-type: none"> b. Recalculate the amount of carry forward for the school ready funding reported by the Area Board and determine if the amount exceeded 20%. (Note: A carry forward exceeding 20% will result in a reduction to the next year's school ready allocation.) c. Review the fund balances by category for deficits and report accordingly. 					
6. Completion of audit:					
<ul style="list-style-type: none"> a. Include the Area Board's summary of financial data in a footnote disclosure. b. Include comments and recommendations for internal control weaknesses noted (significant deficiencies and material weaknesses). c. Include statutory comment regardless of whether there are instances of non-compliance. d. Conduct an exit conference with Area Board officials. e. Summarize and evaluate misstatements noted during the audit. f. Obtain signatures on the representation letter. g. Submit an electronic (PDF format) copy of the audit report, including the management letter(s), if issued separately, to the Iowa Department of Management by email attachment to Shanell.wagler@iowa.gov. 					
F. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					

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