

COUNTY 2018 Audit Programs

June 30, 2018

GENERAL LEDGER

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objective: A. General ledger components are complete and supported by appropriate detailed records. Audit Procedures: A. General Ledger 1. Obtain or prepare a working statement of cash transactions (general ledger). a. If prepared by client, foot and crossfoot. b. Trace the following components of the general ledger to the supporting receipt and disbursement journals. 1. Current tax 2. Mobile home tax 3. Delinquent tax 4. Miscellaneous receipts 5. Transfers 6. Warrants/checks issued and outstanding c. Ascertain that the Treasurer's semiannual settlement agrees with the general ledger total and individual fund balances and to the County's annual financial report. d. Trace warrants/checks issued for the individual funds to the County Auditor expenditure records. e. Trace selected totals to the County's trial balances to determine accuracy of receipts and disbursements per trial balances. 2. Determine the annual report published by the County Auditor reconciles to the County's accounting records. a. Investigate variances. Consider adjustments and/or comment for material variances. b. Non-material variances should be discussed with client. c. Consider report comment recommending amendment and refile for variances in ending fund balances or material variances in line items.	A				

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3. Determine that the fund balance of each fund is separately stated and that the unexpended balance of any special fund is properly accounted for. 4. Determine each fund is properly classified by fund type in accordance with GASB Statement No. 54. 5. Identify the nature of each trust and agency fund and any restrictions on their use. 6. If a single fund is used to account for risk financing activities, determine whether self-insurance is properly recorded in the General Fund or as an Internal Service Fund rather than an Agency Fund. 7. Determine that the restrictions on the use of funds, if any, have not been violated. 8. Ascertain reasons for ending deficit account balances, discuss alternatives for corrective action with County officials, and, if appropriate, include comment in report. Document County's plans to eliminate deficits, if any. 9. Review general ledger for dead or inactive funds and recommend necessary transfers, if appropriate. 10. If a governmental fund balance is in excess of current year expenditures, discuss with County to determine if they have any specific plans for the money. Document findings. If they have no plans, determine if a report comment is appropriate. 11. Document findings and identify purpose of any contingency. 12. Determine if the County acts as a protective payee or conservator on behalf of others. (Auditor may need to inquire of various departments such as County Auditor, County Treasurer, Board of Supervisors, General Relief or Community Service Director office). a. Review the internal controls over the accounts for sufficiency. b. Obtain a listing of the account(s) activity and balances for the year for inclusion as an Agency Fund in the County's financial statements. c. Confirm bank account balances at year-end. d. Perform tests of the deposits and expenditures as appropriate.					

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<p>e. On a test basis, review the files maintained for each individual and determine if appropriate supporting documentation exists to support expenditures made from the account(s).</p> <p>13. Determine the County is properly accounting for and reporting mental health function expenditures and county-operated social service programs in accordance with the Uniform Chart of Accounts prescribed by the Iowa Department of Management (i.e. case management). Financial reporting information shall segregate expenditures for administration, purchase of service and social service program costs. The Uniform Chart of Accounts requires:</p> <p>a. Expenditures for direct and purchased administrative cost must be coded to program 4411 and 4412. Distributions to MHDS regional fiscal agent must be coded to program 4413.</p> <p>b. Expenditures for purchased core services be coded to appropriate diagnosis codes (40XX, 42XX, 43XX, and 47XX).</p> <p>c. Expenditures necessary to provide county-operated case management be coded to program 45XX if reported in the Mental Health Fund and either 45XX or 3420 if reported in the General Fund.</p> <p>d. Expenditures necessary to provide other county-operated services other than county-operated case management (such as expenditures for a county care facility, supported community living and sheltered workshops) be coded to program 46XX if reported in the Mental Health Fund and either 46XX or 3420 if reported in the General Fund.</p> <p>e. Determine if a reconciliation between mental health expenditures per the County's general ledger and Community Services Network (CSN) is being prepared.</p> <p>1. If prepared, document reconciliation and test for reasonableness.</p> <p>2. If not prepared, comment accordingly.</p> <p>f. The county-operated social service program in c. and d. above may be included in the County funds as follows:</p> <p>1. In a separate General sub fund.</p>					

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<p>2. In a separate department within the General Fund, but additional tracking of the balance should be completed and documented to ensure all costs are billed and collected.</p> <p>3. In the Mental Health Fund, but additional tracking of the balance should be completed and documented to ensure all costs are billed and collected.</p> <p>4. For county-operated social service programs not accounted for in a separate fund, determine if tracking is inadequate. Comment accordingly.</p> <p>g. If start-up funds were provided from the mental health fund for the county-operated social service program in c. or d. above, ensure the funds were repaid by year end.</p> <p>14. Prepare detailed footnote disclosure in accordance with the Uniform Chart of Accounts to provide information needed for mental health regional reporting.</p> <p>B. Examine journal entries recorded in the general ledger and other adjustments made directly to the financial statements. (AU-C 240.32 and AU-C 330.21)</p> <p>1. Identify and test the appropriateness of significant adjustments to general ledger balances made in the preparation of financial statements.</p> <p>2. Scan the general ledger for journal entries throughout the period under audit and determine if testing is necessary. Document the items selected, if any.</p> <p>C. Subsidiary Ledgers</p> <p>1. Confirm payments to other entities on a test basis and reconcile to subsidiary ledgers.</p> <p>a. Cities</p> <p>b. Schools</p> <p>c. Townships and fire districts</p> <p>d. Special assessments</p> <p>e. Community colleges</p> <p>2. Perform alternate procedures for non-replies.</p>					
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<p>D. Outstanding Warrants/Checks</p> <ol style="list-style-type: none"> 1. Obtain a list of outstanding warrants/checks at the end of the period under audit and foot for accuracy. The list should include warrant number/check and date written. 2. On a test basis, examine warrants/checks paid from July 1 through the date of our fieldwork. Document date cleared for items tested. 3. Examine supporting documentation for all warrants/checks over \$_____ which were not paid by July 31. List payee. Ascertain and document subsequent disposition. 4. Determine whether the County is writing and holding warrants/checks at June 30, and comment accordingly. Propose adjustments for material amounts of warrants/checks held. If not adjusted, consider necessity of modifying auditor's opinion. 5. Trace totals of outstanding warrants/checks by fund to the general ledger. <p>E. Stamped warrants</p> <ol style="list-style-type: none"> 1. Determine stamped warrants were included as expenditures at the time of issuance rather than at the time of redemption. <p>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.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p>	A				

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<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for general ledger and the results of these procedures are adequately documented in the accompanying workpapers. Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					