

**COUNTY** 2018 Audit Programs

June 30, 2018

**EARLY CHILDHOOD IOWA AREA BOARD**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<p><b>Audit Objectives:</b></p> <p><b>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.</b></p> <p><b>Audit Procedures:</b></p> <p>A. Identify if the County 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"> <li>1. Document name of responsible officials.</li> <li>2. Document the Area Board's decision for conducting a separate audit or procedures performed with the County's audit.</li> <li>3. Discuss billing arrangements.</li> </ol> <p>D. If procedures are to be performed as a part of the County's audit, discuss with the appropriate County officials.</p> <p>E. Perform the State Board approved procedures including:</p> <p>(Note: State Board approved procedures are available at <a href="http://www.state.ia.us/earlychildhood/files/toolkit_tools/Tool_UU.pdf">http://www.state.ia.us/earlychildhood/files/toolkit_tools/Tool_UU.pdf</a>)</p> <ol style="list-style-type: none"> <li>1. Internal controls <ol style="list-style-type: none"> <li>a. Gain an understanding of the programs administered by the Area Board.</li> <li>b. Review relevant policies and procedures established by the Area Board.</li> <li>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"> <li>1) Receipts.</li> <li>2) Disbursements.</li> <li>3) Monitoring of provider contracts.</li> <li>4) Eligibility determinations.</li> <li>5) Annual financial reporting.</li> </ol> </li> </ol> </li> </ol>					

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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 style="padding-left: 20px;">a. The disbursement was properly authorized.</p> <p style="padding-left: 20px;">b. The disbursement is properly supported. (Note: Provider contracts should be reviewed to ensure documentation requirements are met.)</p> <p style="padding-left: 20px;">c. The disbursement was charged to the proper program and funding category. See "Tools" at <a href="http://www.state.ia.us/earlychildhood/local_sytem/Tools/tool_kit_tools_new.html">http://www.state.ia.us/earlychildhood/local_sytem/Tools/tool_kit_tools_new.html</a> which document the allowable activities of each program/funding category.</p> <p style="padding-left: 40px;">1) Early Childhood program (Tool G) - Funding categories:</p> <p style="padding-left: 60px;">- Administrative</p> <p style="padding-left: 60px;">- Program</p> <p style="padding-left: 40px;">2) School Ready program (Tool G) - Funding categories:</p> <p style="padding-left: 60px;">- Family support and parent education (Tool FF)</p> <p style="padding-left: 60px;">- Preschool support for low-income families (Tool CC)</p> <p style="padding-left: 60px;">- Quality improvement (Tool II)</p> <p style="padding-left: 60px;">- General Aid (Administrative and other services) (Tool G)</p> <p style="padding-left: 20px;">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>					

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<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 County.</p> <p>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.)</p> <p>c. Review the fund balances by category for deficits and report accordingly.</p> <p>6. Completion of audit:</p> <p>a. Include the Area Board's summary of financial data in a footnote disclosure.</p> <p>b. Include comments and recommendations for internal control weaknesses noted (significant deficiencies and material weaknesses).</p> <p>c. Include statutory comment regardless of whether there are instances of non-compliance.</p> <p>d. Conduct an exit conference with Area Board officials.</p> <p>e. Summarize and evaluate misstatements noted during the audit.</p> <p>f. Obtain signatures on the representation letter.</p> <p>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 <a href="mailto:Shanell.wagler@iowa.gov">Shanell.wagler@iowa.gov</a>.</p> <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>					

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<p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p>					
<p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for the Early Childhood Iowa Area Board and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>					