

COMMUNITY COLLEGE 2018 Audit Programs

June 30, 2018

EXPENDITURES AND DISBURSEMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Recorded expenditures and cash disbursements are for goods or services authorized and received. (5)					
B. Expenditures incurred for goods or services have all been identified. (6)					
C. Expenditures for goods or services have been recorded in the correct fiscal year. (8)					
D. Expenditures for goods or services and related disbursements have been recorded correctly as to account, fund, period and amount. (7,9)					
E. Expenditures for goods or services are properly presented by fund and related disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. General					
1. Scan check registers for unusual disbursements and expense detail for unusual expenditures. Investigate accordingly.	A,D				
2. For travel and questionable disbursements:					
a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.	A				
b. Prepare workpapers as necessary to adequately document for report presentation.	E				
3. Schedule all related party transactions with College officials or employees for comment. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include all payments applicable for the period when the individual was an employee or official of the College.	A,E				
4. Obtain copy of the College's policy regarding payment of claims prior to Board approval. Determine if procedures are followed as prescribed and in compliance with Chapters 260C.42 and 260C.43 of the Code of Iowa.					

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5. Credit Cards <ul style="list-style-type: none"> a. Determine if the College has established a written policy for the use of credit cards. b. If activity is significant, test selected transactions for propriety and compliance with the policy. B. Expenditures <ul style="list-style-type: none"> 1. Select expenditures and test for the following: <ul style="list-style-type: none"> a. Proper authorization and approval for payment in accordance with Chapters 260C.42 and 260C.43 of the Code of Iowa. b. Proper fund and account charged. c. Proper fiscal year. d. Supported by appropriate documentation, i.e. contract, purchase order and receiving report. e. Mathematical accuracy. f. Invoice or other documentation was canceled to prevent reuse. g. Examine canceled checks or electronically retained check images per Chapter 554D.114(5) of the Code of Iowa for authorized signature, proper endorsement and cancellation. h. Evidence of receipt of goods/services prior to June 30 attached or indicated on invoice. i. Capital outlay items are included on the capital asset additions testing, as applicable. j. Expenditures is proper under federal rules and regulations, consider reasonableness. If also testing compliance for a major program, you may need to add/revise criteria to cover single audit program steps. (i.e., allowable costs/cost principles, period of availability, etc.) k. Expenditure is proper under state rules and regulations. 	A,B,C,D				

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<p>1. Mileage was paid at a rate approved by the Board and was not in excess of the amount allowable under Internal Revenue Service rules as provided by Chapter 70A.9 of the Code of Iowa.</p> <p>m. The expenditure appears to meet the test of public purpose. For those items which are questionable, the College should have adequate documentation as to how the expenditure(s) meet the test of public purpose.</p> <p>C. Construction Contracts</p> <p>1. Reconcile original contract to final contract.</p> <p>2. Reconcile total payments to date by scheduling prior year payments, current year payments, payments due and retainage due.</p> <p>3. Determine projects and/or contracts were authorized and approved by the governing body.</p> <p>4. Determine construction contracts do not contain clauses which would make the in-state construction contracts subject to the laws of another state or which require litigation, mediation, arbitration or other dispute resolution proceedings be conducted in another state in accordance with Chapter 537A.6 of the Code of Iowa.</p> <p>5. For public improvements with estimated total cost exceeding the competitive bid threshold established by Chapter 26.3 or as established in Chapter 314.1B (\$130,000 before January 1, 2015 and \$135,000 effective January 1, 2015), determine the public hearing and bidding requirements of Chapters 26.2 through 26.13 of the Code of Iowa were followed:</p> <p>a. Determine the College advertised for sealed bids as provided in Chapter 26.3 of the Code of Iowa and posted a notice to bidders not less than 13 days but not more than 45 days before the date for filing bids.</p>	A,B,D				

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<ul style="list-style-type: none"> b. Determine the College published notice of the public hearing, including a description of the public improvement and its location, not less than 4 nor more than 20 days before the date of the hearing as provided in Chapters 26.12 and 362.3 of the Code of Iowa. c. Determine the College had an engineer licensed under Chapter 542B, a landscape architect licensed under Chapter 544B or an architect registered under Chapter 544A prepare the plans and specifications and calculate the estimated total cost of the proposed public improvement as required by Chapter 26.3 of the Code of Iowa. d. Determine the College awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa. e. For public improvement projects requiring competitive bids, determine the College complied with the requirement to not restrict potential bidders to any predetermined class of bidder, as required by Chapter 26.16 of the Code of Iowa. <p>6. Determine the College received competitive quotes for public improvement projects in accordance with Chapter 26.14 of the Code of Iowa for the projects with estimated costs less than required bid thresholds but greater than the threshold amount established by the bid threshold committee per Chapter 314.1B of the Code of Iowa. (For an area with a population of 50,000 or more, \$72,000 before January 1, 2015 and \$75,000 effective January 1, 2015.)</p> <ul style="list-style-type: none"> a. For work performed by College employees, other than repair or maintenance work, determine the College filed a quotation for the work to be performed in the same manner as a contractor as required by Chapter 26.14(3)(a) of the Code of Iowa. b. Determine the College awarded the contract for the public improvement to the contractor submitting the lowest responsive, responsible quotation as required by Chapter 26.14(3)(b) of the Code of Iowa. 					

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<p>7. Determine any enhancement payments made for early completion of the project did not exceed 10 percent of the value of the contract in accordance with Chapter 26.9 of the Code of Iowa.</p> <p>8. Determine the College applied for and received sales tax refunds on completed projects, unless an exemption certificate was issued by the College for the contractor per Chapter 423.3(80)(b) of the Code of Iowa.</p> <p>9. For public improvement projects, determine the College complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa.</p> <p>D. Inquire of management and when appropriate, those charged with governance, as to the existence of any agreements containing confidentiality clauses.</p> <p>1. Determine if legal counsel agreed to the insertion of the clauses.</p> <p>2. Determine if the agreements were properly approved by the governing body.</p> <p>3. Review the funding source for the payment(s) made under the agreements.</p> <p>E. Determine if 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>F. Determine whether expenditures/disbursements have been properly classified and disclosures are adequate.</p>	E				

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<u>ALTERNATE/ADDITIONAL PROCEDURES:</u> <u>CONCLUSION:</u> <p>We have performed procedures sufficient to achieve the audit objectives for expenditures and disbursements and the results of these procedures are adequately documented in the accompanying workpapers.</p> <div style="display: flex; justify-content: space-between;"> Incharge _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Manager _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Independent Reviewer _____ Date _____ </div>					