

MENTAL HEALTH REGION 2018 Audit Programs

June 30, 2018

EXPENDITURES/DISBURSEMENTS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Recorded cash disbursements are for goods or services authorized and received. (5)					
B. Disbursements incurred for goods or services have all been identified. (6)					
C. Disbursements for goods or services have been recorded in the correct fiscal year. (8)					
D. Disbursements for goods or services and related disbursements have been recorded correctly as to account, fund, period and amount. (7,9)					
E. Disbursements for goods or services are properly presented as applicable in the fund financial statements and related disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. General					
1. On a test basis, foot and crossfoot disbursement records. Document selection methods and results of tests.					
2. Scan disbursement journal for unusual disbursements and investigate accordingly.	A				
3. Obtain reconciliation to Community Services Network (CSN). If not prepared, comment accordingly					
4. For travel and questionable disbursements:					
a. Scan account detail for disbursements which may not meet public purpose criteria.					
b. Prepare work papers as necessary to adequately document for report presentation.	E				
5. Credit cards:					
a. Determine if the Region 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.					
6. Schedule all related party transactions with Region officials or employees. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include only the payments applicable for the period when the individual was an employee or official. Disclose material transactions in the notes to financial statements.	A,E				

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<p>B. Disbursements</p> <ol style="list-style-type: none"> 1. Select items for testing from the check/warrant register and test for the following: <ol style="list-style-type: none"> a. The disbursement was properly authorized and approved for payment. b. The disbursement was charged to the proper fund. c. The disbursement was charged to the proper disbursement account. <ol style="list-style-type: none"> 1. Expenditures for direct and purchased administrative costs must be coded to program 4411 and 4412. Distributions to MHDS regional fiscal agent must be coded to program 4413. 2. Expenditures for purchased core services should be coded to appropriate diagnosis codes (40XX, 42XX, 43XX, and 47XX). 3. Expenditures necessary to provide county-operated case management should be coded to program 45XX if reported in the Mental Health Fund. 4. Expenditure 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) should be coded to program 46XX. d. The disbursement was supported by an invoice or contract. e. The invoice and/or other documentation was canceled to prevent reuse. f. 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. g. All warrants/checks were signed only by the County Auditor or an authorized designee. h. The disbursement appears to meet the test of public purpose. 	A,B,C, D				

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<ul style="list-style-type: none"> i. Mileage was paid at a rate approved by the governing body 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. j. Expenditures for capital assets are included in the capital assets listing, if applicable. <p>2. On a test basis, prepare a workpaper for capital projects and other construction contracts to:</p> <ul style="list-style-type: none"> a. Reconcile original contract to final contract. b. Reconcile total payments to-date by scheduling prior year payments, current year payments, payments due and retainage due. c. Determine projects and/or contracts were authorized and approved by the governing body. d. 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. e. Determine the Region applied for and received sales tax refunds, if applicable, on completed projects. f. For public improvements exceeding the competitive bid threshold established by Chapter 26.3 of the Code of Iowa (\$135,000 effective January 1, 2015), determine public hearing and bidding requirements of Chapters 26.2 through 26.13 of the Code of Iowa were followed. <ul style="list-style-type: none"> 1) Determine the Region advertised for sealed bids as provided in Chapter 26.3 of the Code of Iowa and published notice not less than 4 days but not more than 45 days before the date for filing bids. 2) Determine the Region published notice of the public hearing 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. 	A,D				

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<p>3) Determine the Region 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.</p> <p>4) Determine the Region awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa.</p> <p>5) For public improvement projects requiring competitive bids, determine the Region 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> <p>g. Determine the Region received competitive quotes for public improvement projects in accordance with Chapter 26.14 of the Code of Iowa for projects with estimated costs less than the required bid thresholds but greater than the competitive quote threshold set by the threshold subcommittees per Chapter 314.1B of the Code of Iowa (effective January 1, 2015: \$55,000 for an area with a population of less than 50,000 and \$75,000 for an area with a population of 50,000 or more).</p> <p>1) For work performed by Region employees, other than repair or maintenance work, determine the Region 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.</p> <p>2) Determine the Region 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.</p> <p>h. 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>					

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<ul style="list-style-type: none"> i. Determine the Region applied for and received sales tax refunds on completed projects unless an exemption certificate was issued by the Region for the contractor per Chapter 423.3(80)(b) of the Code of Iowa. j. For public improvement projects, determine the Region complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa. <p>C. Inquire of management and, when appropriate, those charged with governance as to the existence of any agreements containing confidentiality clauses.</p> <ul style="list-style-type: none"> 1. Determine if legal counsel agreed to the insertion of the clauses. 2. Determine if the agreements were properly approved by the governing body. 3. Review the funding source for the payment(s) made under the agreements. <p>D. 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>E. Determine whether disbursements are properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p>	E				

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<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for disbursements/expenditures/expenses and the results of these procedures are adequately documented in the accompanying workpapers. In-charge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					