

AUP EXTENSION 2022 Audit Programs

June 30, 2022

| PROCEDURE | DONE BY | W/P REF | N/A | REMARKS |
|---|------------|------------|-----|---------|
| <p>Audit Objective:</p> <p>Agency fund assets and liabilities, and related increases and decreases, are properly recorded and reported.</p> <p>A. Cash in Bank</p> <ol style="list-style-type: none"> 1. Obtain bank reconciliations for all bank accounts as of year-end: <ol style="list-style-type: none"> a. Foot bank reconciliation. b. Reconcile bank balances with cashbook balance. c. Obtain list of checks outstanding at the end of the period under audit, including check number, amount and date written. Foot outstanding check listing. On a test basis, examine checks paid in July and document date cleared for test items. d. Trace material deposits in transit to subsequent bank statement and document the date deposited per books and per bank. e. Reconcile book balance (per the "Balance Sheet" which includes checking account, other savings accounts, and CDs) to the ending balance in the annual published report. 2. Determine unclaimed property per Chapter 556.1(12) of the Code of Iowa has been reported to the State Treasurer annually before November 1st as required by Chapter 556.11 of the code of Iowa. 3. Determine a depository resolution which includes all depositories used by the District has been approved as required by Chapter 12C.2 of the Code of Iowa. 4. Determine if electronically retained check images (both front and back) are received (with the bank statement) per Chapter 554D.114(5) of the Code of Iowa. <p>B. Fund Balance</p> <ol style="list-style-type: none"> 1. Determine and document any Agency Funds the District has. Ensure the following: <ol style="list-style-type: none"> a. Agency Fund is being held for a separate legal entity. b. Agency Fund has been approved by Extension Council. | | | | |

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| <ol style="list-style-type: none"> 2. Determine from review of prior year findings whether all 4-H Clubs are being reported in the Extension office accounting system. Also confirm no new 4-H Clubs were established in the current year. If yes to both items above, skip step 3. 3. If all 4-H Clubs are not reported, document process for completion process. <ol style="list-style-type: none"> a. Obtain a report from the Extension office accounting system (the Program Fee Sub-Fund report) which documents the 4H clubs and their activity held at the Extension office. b. Compare the 4H clubs to the number of 4-H clubs reported on the "Pre-Audit Report – 4H Club Accounts Transfer" form. c. Verify all 4H clubs were transferred to the Extension office per section 2.3 of the fiscal policy. (All 4H clubs should have been transferred over by 7/1/19.) 4. Obtain the District's calculation to ensure the ending tax sub-fund balance, excluding donor restricted funds, did not exceed 50% of the amount expended during the year. <ol style="list-style-type: none"> a. If there is an excess balance, determine the excess was transferred to the General Fund in accordance with Chapter 176A.8(13). b. If the District did not perform the calculation, comment on lack of monitoring and perform a calculation. | | | | |
| <p>C. Receipts</p> <ol style="list-style-type: none"> 1. Reconcile tax receipts with the County Treasurer's tax apportionment or to County general ledger. 2. Scan ledgers, receipt detail or annual report for unusual receipts. Investigate accordingly. 3. Determine and document if a detailed statement of receipts and expenditures was published before September 1 as required by Chapter 176A.8(14) of the Code of Iowa (in <u>two</u> publications/newspapers). | | | | |

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| <p>D. Disbursements</p> <ol style="list-style-type: none"> 1. Select five (5) consecutive checks including ACH payments from 1) large counties >50,000 in population three months throughout the fiscal year and for 2) small counties <50,000 in population two month throughout the fiscal year and scan for any unusual disbursements to include and verify: <ol style="list-style-type: none"> a. The disbursement is adequately supported. If not supported, inquire as to the purpose of the disbursement b. The amount and payee on the check match the general ledger posting. c. The disbursement was authorized by the Extension Council. d. Credit card transactions were approved and properly supported. e. The disbursement appears to meet the test of public purpose. For those items which are questionable, the District should have adequate documentation as to how the expenditure(s) meet the test of public purpose. <p><i>Note: Regarding sales tax - District purchases are tax exempt, therefore they should not be paying sales tax. However, if the District is reimbursing a personal purchase, it is allowable to reimburse the sales tax portion. In addition, if the District is applying for a sales tax refund using the Iowa 843 refund form, a finding should not be prepared.</i></p> 2. Scan disbursement journal for unusual disbursement. Investigate accordingly. 3. Credit cards: <ol style="list-style-type: none"> a. Obtain and document the District's credit card policy. b. Request a list of all payments made to the credit card company. Scan the list and select one or two months for review of individual charges on the related statements. Limit testing to 25% of the monthly transactions in total. (Note: there will be more activity around County Fair time.) c. To determine the transactions to test, scan selected statements from above step for unusually large purchases, frequent or repetitive purchases from same vendor and higher risk vendors such as Square or Paypal. | | | | |

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| <ul style="list-style-type: none"> d. Verify the disbursement is adequately supported. If not supported, inquire as to the purpose of the disbursement. e. Verify the disbursement appears to meet the test of public purpose. For those items which are questionable, the District should have adequate documentation as to how the expenditure(s) meet the test of public purpose f. Ensure district office staff do not use the credit card and then reimburse the District for purchases. <p>4. Gift Cards:</p> <ul style="list-style-type: none"> a. Obtain and document the District's gift card policy. b. Review the tracking of gift card awards to determine if in compliance with policy and public purpose. (limit selection to 5 awards) c. Determine recipients of gift cards are providing written documentation of receipt. <p>E. Payroll</p> <ul style="list-style-type: none"> 1. Select a payroll transaction from each employee throughout the year to test: <ul style="list-style-type: none"> a. Authorization for gross pay or hourly rate. b. Approval of hours worked. c. Accuracy of the number of hours paid per the payroll journal to hours worked per approved timesheets for hourly employees. <p>F. Budgets</p> <ul style="list-style-type: none"> 1. Determine the annual budget and amendments, if any, were properly authorized and certified, including whether the notice of public hearing for the original budget and any amendments was properly published in accordance with Chapters 24.9 and 176A.8 of the Code of Iowa <ul style="list-style-type: none"> a. The notice of public hearing must be posted or published at least 10 days and not more than 20 days prior to the hearing date. b. The tax levy and disbursements adopted should not be greater than the amounts posted/published. 2. Determine whether disbursements are within the budget or amended budget. | | | | |

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| <p>G. Completion</p> <ol style="list-style-type: none"> 1. Conduct an exit conference with the Ag Extension director and office manager and discuss the following: <ol style="list-style-type: none"> a. Report findings and client responses. b. Obtain written representations signed by the Ag Extension Director. 2. Complete the budget and time summary, including an explanation of significant variances from budget and recommendations for next year, if applicable. Note billing instructions, if applicable. <p>H. Compilation. Please send the following information directly to the combined extension incharge within one week following the end of fieldwork.</p> <ol style="list-style-type: none"> 1. Draft audit findings and responses (as summarized in the exit conference). 2. Signed exit conference form. 3. 2001 planning document – only send the first page. 4. 2010 Accounting Problems. 5. 2500's Findings Comparison Spreadsheet | | | | 4. |
| <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> | | | | |
| <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the AUP objectives for the Agricultural Extension Office and the results of these procedures are adequately documented in the accompanying workpapers.</p> | | | | |