

AGENCY 2023 Audit Programs

June 30, 2023

**COMPLETION OF AUDIT**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<b>Audit Objectives and Related Assertions:</b>  <b>A. Written representations have been obtained from responsible officials.</b>  <b>B. Misstatements discovered during the audit have been evaluated.</b>  <b>C. Financial statements are fairly presented and disclosures are adequate. (10,11,12,13)</b>  <b>D. The effect on the auditor's report of GAAP departures, scope limitations, uncertainties, other auditors or other matters has been evaluated.</b>  <b>E. Significant deficiencies and material weaknesses have been summarized and communicated to the appropriate parties.</b>  <b>F. Significant commitments, contingencies and subsequent events which may require disclosure have been identified (10,11,12,13)</b>  <b>Audit Procedures:</b>  <b>A. Perform analytical procedures for overall review of financial statements. Document consideration of the following:</b> 1. The adequacy of evidence gathered in response to unusual or unexpected balances identified in planning the audit or in the course of the audit. 2. Unusual or unexpected balances or relationships not previously identified. 3. Submit significant changes to the ACFR In-charge for consideration for inclusion in Management's Discussion and Analysis.  <b>B. Document whether conditions and events have been identified, either through management's evaluation or through audit procedures performed, that, when considered in the aggregate, indicate there could be substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time. If conditions and events exist, perform procedures as documented in SAS 132, SAS 134, SAS 136.</b>					
	C				
	D				

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<p>C. Commitments, contingencies and subsequent events which may require disclosure:</p> <ol style="list-style-type: none"> <li>1. In connection with litigation and claims, perform the following procedures: <ol style="list-style-type: none"> <li>a. Obtain a description and evaluation of litigation and asserted and unasserted claims from Agency officials.</li> <li>b. Examine documents in the Agency's possession concerning the above matters.</li> <li>c. Review invoices for legal services and consider whether any other matters in addition to the above were disclosed during the course of the audit.</li> <li>d. Review attorney's letter for matters requiring disclosure.</li> </ol> </li> <li>2. Complete review of minutes through the end of field work for subsequent events.</li> </ol>	F				
<p>D. Determine if footnote disclosure is needed and obtain documentation for the following items. (For Agencies with separately issued financial statements and unusual types of activities, consider reviewing the AICPA Disclosure Checklist.)</p> <ol style="list-style-type: none"> <li>1. Leases and financing arrangements.</li> <li>2. Construction commitments.</li> <li>3. Contracts.</li> <li>4. Termination benefits.</li> <li>5. OPEB and pension benefits.</li> <li>6. Subsequent events.</li> <li>7. Lawsuits.</li> <li>8. Other commitments or contingencies.</li> <li>9. Other pertinent information.</li> </ol>	C,F				

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<p>E. Summarize and evaluate misstatements noted during the audit, if any.</p> <ol style="list-style-type: none"> <li>1. Determine whether uncorrected misstatements are material, individually or in the aggregate. Consider the following: (AU-C 450.11) <ol style="list-style-type: none"> <li>a. The size and nature of the misstatements, both in relation to particular classes of transactions, account balances or disclosures and the financial statements as a whole, and the particular circumstances of their occurrence and,</li> <li>b. The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances and disclosures and the financial statements as a whole.</li> </ol> </li> <li>2. In communicating misstatements to management, the auditor should: (AU-C 450.07-.10) <ol style="list-style-type: none"> <li>a. Request management to examine the entire class of transactions, account balance or disclosure to identify and correct misstatements in cases where the auditor evaluates the amount of likely misstatement from a sample as material.</li> <li>b. Request management to review the assumptions and methods used in developing management's estimates in those cases where the auditor has identified a likely misstatement involving differences in estimates used by management.</li> <li>c. Reevaluate the amount of likely misstatement after management has performed a. and b. above.</li> <li>d. Obtain an understanding of management's reasons for not making corrections of known or likely misstatements and take into account when evaluating if the misstatement is material.</li> </ol> </li> </ol>	B				
<p>F. Summarize significant deficiencies and material weaknesses, including those communicated in previous audits which have not yet been remediated, and include in written communication to management and those charged with governance no later than 60 days following the report release date. (AU-C 265.11-.13)</p>	E				

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1. Indicators of material weaknesses in internal control include the following: (AU-C 265.09-.10) <ul style="list-style-type: none"> <li>a. Identification of fraud, whether or not material, on the part of senior management.</li> <li>b. Restatement of previously issued financial statements to reflect the correction of a material misstatement due to fraud or error.</li> <li>c. Identification by the auditor of a material misstatement in the financial statements under audit in circumstances which indicate the misstatement would not have been detected by the Agency's internal control.</li> <li>d. Ineffective oversight of the Agency's financial reporting and internal control by those charged with governance.</li> </ul>					
G. Determine appropriateness of an unmodified opinion for each opinion unit and on compliance. Document reasons for variances from an unmodified opinion and discuss the reasons with those charged with governance.	C,D				
H. Draft the audit report, including opinions, financial statements, notes, required supplementary information, supplementary information and other reports. Reconcile applicable Agency amounts to the Statewide ACFR. Determine preparation of the draft audit report will not impair independence.	C,E				
I. Send the draft financial statements to the Agency and obtain the Agency's approval: <ul style="list-style-type: none"> <li>1. Date sent to Agency _____</li> <li>2. Date Agency approved _____</li> </ul>					
J. Perform the following procedures related to supplementary information (SI) as required by AU-C 725.05 and AU-C 725.07: <ul style="list-style-type: none"> <li>1. Determine all of the following conditions are met when determining the SI presented is fairly stated, in all material respects, in relation to the financial statements as a whole:               <ul style="list-style-type: none"> <li>a. The SI was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.</li> <li>b. The SI relates to the same period as the financial statements.</li> </ul> </li> </ul>	C				

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<ul style="list-style-type: none"> <li>c. The auditor issued an audit report on the financial statements that contained neither an adverse opinion or disclaimer of opinion.</li> <li>d. The SI will accompany the Agency's audited financial statements or such audited financial statements will be made readily available by the Agency.</li> </ul>					
<ul style="list-style-type: none"> <li>2. The following procedures should be performed using the same materiality level used in the audit of the financial statements: <ul style="list-style-type: none"> <li>a. Inquire of management about the purpose of the SI and the criteria used by management to prepare the SI.</li> <li>b. Determine whether the form and content of the SI complies with the applicable criteria.</li> <li>c. Obtain an understanding about the methods of preparing the SI and determine whether the methods have changed from those used in the prior year and the reasons for any such changes.</li> <li>d. Compare and reconcile the SI to the underlying accounting and other records used in preparing the financial statements.</li> <li>e. Inquire of management about any significant assumptions or interpretations underlying the measurement or presentation of the SI.</li> <li>f. Evaluate the appropriateness and completeness of the SI considering the results of the procedures performed and other knowledge obtained during the audit of the financial statements.</li> </ul> </li> </ul>					
<ul style="list-style-type: none"> <li>K. Perform the following limited procedures to Required Supplementary Information (RSI), as required by AU-C 730.05: <ul style="list-style-type: none"> <li>1. Inquire of management about the methods used in preparing the information, including: <ul style="list-style-type: none"> <li>a. Whether RSI has been measured and presented in accordance with prescribed guidelines.</li> <li>b. Whether methods of measurement or presentation changed from those used in the prior year and the reasons for any such changes.</li> </ul> </li> </ul> </li> </ul>					

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<ul style="list-style-type: none"> <li>c. Whether there are any significant assumptions or interpretations underlying the measurement or presentation of the information.</li> <li>2. Compare the information for consistency with management's responses to the foregoing inquiries, the basic financial statements and other knowledge obtained during the audit of the basic financial statements.</li> </ul> <p>L. Review the reasonableness of the Management's Discussion and Analysis, which is limited to the following required elements: (GASB 34 par.11)</p> <ul style="list-style-type: none"> <li>1. A brief discussion of the basic financial statements, including the relationships of the statements to each other and the significant differences in the information they provide.</li> <li>2. Condensed financial information derived from the entity-wide financial statements comparing the current year to the prior year.</li> <li>3. An analysis of the Agency's overall financial position and results of operations to assist users in assessing whether financial position has improved or deteriorated as a result of the year's operations.</li> <li>4. An analysis of balances and transactions of individual funds. The analysis should address the reasons for significant changes in fund balances or fund net position and whether restrictions, commitments or other limitations significantly affect the availability of fund resources for future use.</li> </ul> <p>M. For other information in documents containing audited financial statements (such as the introductory and statistical sections in ACFR audits) (AU-C 720):</p> <ul style="list-style-type: none"> <li>1. Read the other information to identify possible material inconsistencies with the audited financial statements or apparent material misstatements of facts and follow the guidance if either is identified.</li> <li>2. Communicate with those charged with governance any procedures performed and the results.</li> </ul> <p>N. Determine information presented as other information in the statistical section of a Comprehensive Annual Financial Report (ACFR) complies with GASB 44 requirements.</p>					

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<p>O. Perform a retrospective review of significant accounting estimates reflected in the prior year financial statements and consider whether the underlying assumptions in the prior year indicate a possible bias on the part of management. Consider whether the results of the review provide additional information about possible bias in making current year estimates. If possible bias is identified, evaluate whether the circumstances represent a risk of material misstatement due to fraud. (AU-C 240.32)</p> <p>P. Determine whether the comparability of the financial statements between periods has been materially affected by a change in accounting principle or by adjustments to correct a material misstatement in previously issued financial statements. (AU-C 708)</p> <p>Q. Evaluate and document the business rational for significant unusual transactions. (AU-C 240.32).</p> <p>R. Conduct an exit conference with the Agency, including its audit committee, if possible, and discuss the following:</p> <ol style="list-style-type: none"> <li>1. Discuss comment and recommendation process.</li> <li>2. Stress preliminary nature of exit pending subsequent in-office work and review.</li> <li>3. Document communication of material, non-material, reportable and non-reportable findings.</li> <li>4. Verify accuracy of distribution report.</li> <li>5. Thank Agency for cooperation.</li> <li>6. Audit and accounting problems which may affect the audit bill.</li> </ol> <p>S. Obtain written representation letter:</p> <ol style="list-style-type: none"> <li>1. Modified, as necessary, for related party/business transactions, federal financial assistance program representations, obsolete inventories, work of a specialist, supplementary information, required supplementary information and/or other items.</li> <li>2. Prepared on the Agency's letterhead.</li> <li>3. Dated the date of the ACFR opinion.</li> <li>4. If applicable, obtain a management representation letter dated the date of the Statewide Single Audit opinion.</li> <li>5. An additional management representation letter may be necessary if additional work is performed after the Statewide Single Audit date.</li> </ol>	E				
	A				

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<p>6. For agencies with separately issued financial statements, obtain a management representation letter dated the same date as the auditor's reports as determined in AU-C 700.41.</p> <p>T. Complete the budget and time summary, including explanations of significant variations from budget and recommendations for next year.</p> <p>U. For Agencies issuing a financial statement report:</p> <p>1. Determine the appropriate date of the auditor's reports. In accordance with AU-C 700.41, the auditor's report should not be dated earlier than the date on which the auditor has obtained sufficient evidence to support the opinion. Sufficient evidence includes evidence the audit documentation has been reviewed and the financial statements, including disclosures, have been prepared and management has asserted it has taken responsibility for the financial statements.</p> <p>2. Determine and include footnote disclosures, if necessary, for subsequent events occurring between the end of fieldwork and the date of the auditor's report. (May require verbal update of attorney letter, review of subsequent minutes and auditee inquiry).</p> <p>V. If you have any suggestions for revising subsequent programs, briefly describe your suggested revisions on this sheet or prepare a memorandum for the working papers.</p> <p>W. Major Federal Program Subsequent Events:</p> <p>1. Perform procedures up to the report date to identify subsequent events related to the Agency's compliance during the period covered by the auditor's report on compliance:</p> <p>a. Inquire of management.</p> <p>b. Review relevant internal audit reports issued during the subsequent period.</p> <p>c. Review other auditors' reports issued during the subsequent period.</p> <p>d. Review grantors and pass through entities reports issued during the subsequent period.</p> <p>e. Review information about noncompliance obtained through other professional engagements performed for the Agency.</p>	F				



