

AGENCY 2023 Audit Programs

June 30, 2023

AUDIT PLANNING

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives: A. Perform and document planning of audit. B. Consider Single Audit implications. C. Determine preliminary planning materiality. D. Consider the effect on financial statements of non-compliance with laws and regulations. E. Perform risk assessment procedures and assess risk of material misstatement of the financial statements. F. Determine audit approach.					
Audit Procedures: A. Job number _____ A B. Agency Contact Information: _____ Name/Title: _____ Phone: _____ Email: _____ Name/Title: _____ Phone: _____ Email: _____ Name/Title: _____ Phone: _____ Email: _____ Name/Title: _____ Phone: _____ Email: _____ Name/Title: _____ Phone: _____ Email: _____ C. Assigned staff: _____ Independent? Manager _____ Incharge _____ Staff _____ _____ _____ _____ _____ _____ _____					

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<div><div></div><div></div></div> <div>D. Timing:</div> <div><div>Planned Date</div><div>Actual Date</div></div> <div><div>Single Mgmt.</div><div>Single Mgmt.</div></div> <div><div>ACFR Audit Report</div><div>ACFR Audit Report</div></div> <div>Fieldwork:</div> <div>Begin:</div> <div>Complete:</div> <div>To Manager:</div>		A				
E. For Agencies with separately issued financial statements, obtain and file the engagement letter. (AU-C 210.09)						
F. Review correspondence files and note any information which may have a significant effect on the current year's audit.		A				
G. Note duties and functions of the Agency under audit and responsibilities and restrictions placed on their activities. <div><div>1. Read the appropriate Chapter(s) of the Code of Iowa, Laws of the General Assembly, applicable administrative rules and related Attorney General's opinions.</div><div>2. Prepare appropriate State Agency Code Compliance Questionnaire. Items considered to be part of the Agency's regular operations should be reviewed annually. Items may include:<div><div>a. Special reports.</div><div>b. Limitations on spending.</div><div>c. Percentage requirements for allocation of funds.</div><div>d. Requirements pertaining to appropriations from other funds.</div><div>e. Requirements pertaining to Block Grants.</div><div>f. Other.</div></div></div><div>3. Complete the Standard State Agency Code Compliance Questionnaire.</div><div>4. Obtain and review the Agency's Board policies and/or employee handbook.</div></div>		A,B,F				

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H. Review prior year audit report and workpapers. If applicable:	A,B,F				
1. Note any departures from an unmodified opinion.					
2. Note any report comments in the prior year's audit report and document the current status.					
3. Note any non-report comments that may affect this year's audit and document the current status.					
4. Note items for next year's audit in the prior year's workpapers and any areas of special emphasis recommended for this year's audit by the prior auditor. Document in the current year workpapers how these items are being addressed.					
I. Inquire as to the existence of findings and recommendations from any previous audits, attestation engagements, performance audits or other studies (for example – Federal audits, program audits, IT (information technology) audits, reviews by state agencies, etc.) which have been performed and determine the current status of any findings or recommendations identified which may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 6.11 and AU-C 935.16)	A,D				
J. Review permanent file, determine status of the following and update as necessary:	A,B,F				
1. Identification of the financial reporting entity and compliance with GASB 14, as amended by GASB 39, 61 and 80. See separate program section.					
2. Nature of business and legal environment.					
3. Applicable state and federal regulations.					
4. Administrative and accounting personnel.					
5. As applicable, federal program personnel.					
6. Organization chart.					
7. Chart of accounts and accounting manual.					
8. Use of outside service organizations.					
9. Uses of information technology (IT) systems.					
10. Methods used to process significant accounting information.					
11. Long-term leases, contracts and commitments.					
12. List of officials and terms.					

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K. If the Agency is included in the State of Iowa Comprehensive Annual Financial Report and/or the State of Iowa Single Audit, include a copy of the applicable sections of the statewide audit and/or statewide single audit planning memos.	A,B				
L. Conduct entrance conference. Discuss and document pertinent information.	A,B				
M. Determine if the engagement is an audit of group financial statements. If applicable, follow the guidance in AU-C 600, including, but not limited to:	A,C,E F				
1. Identifying components.					
2. Developing an overall audit strategy and audit plan for the group audit.					
3. Gaining an understanding of the group, its components and their environments, including understanding:					
a. Group-wide controls.					
b. The consolidation process.					
4. Determining if components are considered significant, either individually financially significant or likely to include significant risks to the group financial statements.					
5. Gaining an understanding of component auditors.					
6. Deciding if the audit report will refer to the component auditor's work.					
7. Determining materiality levels for the group financial statements as a whole and component materiality levels.					
8. Applying further audit procedures to the consolidation process.					
9. Subsequent events occurring between the dates of the financial information of the components and the date of the auditor's report on the group financial statements.					
10. Communicating the group auditor requirements to the component auditor.					
11. Evaluating the sufficiency and appropriateness of audit evidence obtained.					
12. Communicating with group management and those charged with governance of the group.					

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<p>N. Determine the extent of involvement, if any, of consultants, specialists or internal auditors. Where applicable, follow the appropriate guidance:</p> <ol style="list-style-type: none"> 1. AU-C 610, "Auditor's Consideration of the Internal Audit Function". 2. Auditor's Specialist (AU-C 300.12, AU-C 620 and Government Auditing Standards, Chapters 4.12-4.16) - Consider whether specialized skills, including professionals possessing information technology (IT) skills, are needed in performing the audit and seek such assistance if considered necessary. 3. Management's Specialist (AU-C 500.08) - Include appropriate statement in the management representation letter. Examples of the use of a specialist include: <ol style="list-style-type: none"> a. An actuary used to determine incurred but not reported (IBNR) claims for a self-insurance fund. b. An actuary used to determine amounts for other post-employment benefits (OPEB). 	A				
O. Inquire about related party transactions. See separate program section.	A,F				
<p>P. Minutes:</p> <ol style="list-style-type: none"> 1. Review minutes through most recent meeting and document significant Board action. 2. Determine and document if minutes were signed. 3. Determine, on a test basis, if meetings were preceded by proper notice in accordance with Chapter 21.4 of the Code of Iowa. 4. Determine if minutes document the Board followed proper proceedings for any closed sessions in accordance with Chapter 21.5 of the Code of Iowa. <ol style="list-style-type: none"> a. The session was closed by affirmative roll call vote of at least two-thirds of the members. b. The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented. c. Final action was taken in open session. 5. Determine the minutes show information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa. 	A,E,F				

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<p>6. Determine compliance with Board Member attendance requirements prescribed by Chapter 69.15 of the Code of Iowa.</p> <p>Q. Determine and document judgments about materiality levels. If done at interim, update materiality levels at the Statement of Net Position date.</p> <p>1. For ACFR only audits:</p> <p>a. by each major and material fund (as identified in the ACFR planning memo).</p> <p>b. by other funds identified in the ACFR planning memo using calculated amount in ACFR memo.</p> <p>c. by aggregate remaining fund information.</p> <p>2. For separately issued financial statement audits:</p> <p>a. by each opinion unit:</p> <p>1) by each major fund.</p> <p>2) by governmental or business type activities.</p> <p>3) aggregate remaining fund information.</p> <p>4) by discretely presented component units.</p> <p>5) by transaction class, account balance or disclosure, if necessary. (AU-C 320.14)</p> <p>b. review ACFR planning memo for any additional funds.</p> <p>3. for each major Federal program.</p> <p>R. Apply preliminary analytical procedures. (If interim work is done, do as of the most recent period.)</p> <p>1. Make appropriate comparisons.</p> <p>2. Identify expectations and document basis of expectations, including known external events on plausible relationships (i.e., budget reductions, travel restrictions, hiring freezes).</p> <p>3. Identify unusual or unexpected balances or relationships.</p> <p>4. Determine and document if matters identified indicate a higher risk of material misstatement due to fraud. If higher risk is indicated, adjust audit approach accordingly.</p>	B,C				
	A,E,F				

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<p>S. Determine which accounts will require confirmations.</p> <p>T. Attorney's letter:</p> <ol style="list-style-type: none"> 1. For Agencies issuing separate financial statements: <ol style="list-style-type: none"> a. If issuing prior to ACFR fieldwork, obtain separate Attorney General's letter. b. If issuing during ACFR fieldwork, review Attorney General's letter obtained for ACFR and identify any litigation relating to the Agency under audit. c. If issuing significantly after ACFR fieldwork, obtain a separate Attorney General's letter. 2. For Agencies not issuing separate financial statements, review Attorney General's letter obtained for ACFR and identify any litigation relating to the Agency under audit. 3. For all Agencies using an attorney other than the Attorney General, send attorney's letter to the attorneys and other lawyers consulted on significant matters during the period. Send the letter during late October with a requested response date of mid-November in order to correspond with ACFR fieldwork. 					
U. Determine and document an audit strategy based on determination of audit risk (AU-C 240, AU-C 315.26-.27, AU-C 320 and AU-C 935.20).	A,B,E F				
<p>V. Internal Control (Complete section for the agencies listed in the planning memo so any comments can be included in the statewide SAS 122 report within 60 days after release of the opinion to the GAAP Team):</p> <ol style="list-style-type: none"> 1. Obtain an understanding of the internal controls, including those relating to overall compliance with laws and regulations. <ol style="list-style-type: none"> a. Determine and document whether the internal controls have been implemented. b. Assess control risk for relevant financial statement assertions related to each significant account balance or transaction class, including those relating to overall compliance with laws and regulations having a direct and material effect on the financial statements. 	A,B,D E,F				

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<ul style="list-style-type: none"> 1) Identify those financial statement assertions for which tests of controls need to be performed and design and perform the appropriate tests of controls. 2) Document conclusions concerning the assessed level of control risk for the assertions in the working papers. <p>c. If the Agency uses a service organization to process transactions for the Agency (i.e. payroll processing, bank trust department that invests and holds assets for employee benefit plans, organizations that develop, provide and maintain software for user organizations, organizations that provide data storage, etc.), follow AU-C 402 and perform the following:</p> <ul style="list-style-type: none"> 1) Document the effect the service organization has on the internal controls of the Agency (user organization), related control risk assessments and the availability of evidence to perform substantive procedures. 2) Determine if the Agency's agreement with the service organization includes a requirement for completion of service report(s). 3) Obtain service organization's service auditor's report(s). Evaluate the following: the competence and independence of the service auditor, the adequacy of the standards under which the report was issued and the sufficiency and appropriateness of the report for obtaining an understanding of controls relevant to the audit. <p>d. Obtain and document an understanding of the Agency's credit card collections and compliance with PCI (Payment Card Industry) Data Security Standards.</p> <ul style="list-style-type: none"> 1) Document the Agency's Participation Agreement with the State Treasurer and any credit card security policies. 					

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<p>2) Determine if the Agency has documented the collection and transmission method used to process credit card information and identified the self-assessment questionnaire or other items required.</p> <p>3) Determine if the Agency has completed their PCI Data Security Standard Self-Assessment Questionnaire and Attestation of Compliance.</p> <p>4) If Agency has not addressed the above items, advise officials to consult with the State Treasurer's office to achieve compliance or review PCI Security Standards. https://www.pcisecuritystandards.org/pci_security/.</p> <p>e. Obtain and document an understanding of the internal audit function to determine whether the internal audit function is likely to be relevant to the audit. (AU-C 315.24)</p> <p>2. Major programs:</p> <p>a. Obtain and document an understanding of the internal controls relevant to the compliance requirements applicable to all major federal programs.</p> <p>b. Determine and document whether these controls have been implemented.</p> <p>c. Assess control risk. (The auditor should plan for a low level of control risk.)</p> <p>d. Perform tests of controls over each major program (regardless of whether or not choosing to obtain evidence to support an assessment of control risk below maximum).</p> <p>e. Include lack of or ineffective control procedures as significant deficiencies or material weaknesses in the Agency report and/or the Statewide Single Audit.</p> <p>3. If steps U(1) and (2) are done at interim, determine if tests of controls and assessments of control risk can be extended to the Statement of Net Position date:</p> <p>a. Apply the following procedures for internal control work done:</p>					

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<ul style="list-style-type: none"> 1) Ask whether there have been any changes to internal controls, including federal controls, since interim. Also, consider whether any changes are apparent from substantive (or other) tests done after interim. 2) Consider the significance of any changes. 3) Obtain audit evidence about the nature and extent of any changes. <p>b. If considered necessary based on the above procedures, perform additional tests of controls and update risk assessments.</p> <p>W. Determine the major funds for the governmental and business type activities. Funds are considered major funds if they meet both criteria for the same element. (GASB 34 par. 76)</p> <ul style="list-style-type: none"> 1. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of the category or type. 2. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. 3. Review with management whether additional discretionary funds should be included as major funds. <p>X. If indications of waste or abuse exist, plan audit procedures to determine whether waste or abuse has occurred and the effect on the financial statements. (GAS Chapter 6.20)</p> <p>Y. Consideration of compliance with laws and regulations (AU-C 250.12, AU-C 250.14) and provisions of contracts and grant agreements (GAS Chapter 6.15).</p> <ul style="list-style-type: none"> 1. Identify and obtain an understanding of the legal and regulatory framework applicable to the Agency and how the Agency is complying with the framework. 					
	E				
	D				

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<p>2. Identify possible instances of noncompliance with laws and regulations that may have a material effect on the financial statements:</p> <p>a. Inquire of management and, when appropriate, those charged with governance, about whether the Agency is in compliance with such laws and regulations.</p> <p>b. Inspect correspondence, if any, with relevant licensing or regulatory authorities.</p> <p>3. Identify possible instances of noncompliance with the provisions of contracts and grant agreements.</p> <p>a. Inspect correspondence, if any, with relevant parties to contracts and grant agreements.</p> <p>Z. Consideration of the Agency's ability to continue as a going concern. The reasonable period of time required is within one year after the date that the financial statements are issued or within one year after the date the financial statements are available to be issued. (SAS 132, SAS 134)</p> <p>1. Determine if any condition or events, considered in the aggregate, exist that may cause substantial doubt about the Agency's ability to continue as a going concern.</p> <p>2. Determine if management has performed an evaluation of whether any such conditions or events exist.</p> <p>a. If an evaluation was completed, discuss it with management, including the Agency's plans to address these conditions or events.</p> <p>b. If an evaluation was not completed, discuss with management whether they are aware of any such conditions or events.</p> <p>AA. Modify/expand on standard audit program guide, as necessary.</p> <p>1. The program should be responsive to the critical audit areas and other areas of concern noted in the audit planning, the analytical procedures performed on the financial statements and the understanding obtained of the Agency's internal controls.</p> <p>2. Review the ACFR planning memo to determine procedures necessary for ACFR's timely release.</p> <p>BB. Document compliance with Government Auditing Standards conceptual framework for nonaudit services, if any.</p>					

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CC. Determine if the Agency was a party to a government combination (merger or acquisition) or had a disposal of operations. If applicable, determine if activity is properly disclosed and reported in accordance with GASB 69.					
DD. Discuss with the audit team the significance of threats to management participation or self-review and emphasize the risks associated with those threats.					
EE. Immediately contact the Manager if fraud or embezzlement is suspected. Ensure the appropriate officials are notified after contacting the Manager. Chapter 11.2 of the Code of Iowa requires agencies to notify the Auditor of State immediately regarding any suspected embezzlement, theft or other significant financial irregularities.					
FF. Prepare audit time budget.					
GG. Discuss planning phase with the Manager and document conclusions.	A				

ALTERNATE/ADDITIONAL PROCEDURES:CONCLUSION:

We have performed procedures sufficient to achieve the audit planning objectives and the results of those procedures are adequately documented in the accompanying workpapers.