

2019 Compliance Guides

COUNTY COMPLIANCE GUIDE

Purpose: To select compliance items to be tested and/or document testing.

Source: Workpapers as referenced.

Scope: Compliance items tested each year are based on risk assessment.

Conclusion: Compliance selections and/or testing is documented per Compliance Guide and workpapers.

	FY19	FY20	FY21
Incharge			
Manager			
Independent Reviewer			

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Code Compliance Risk Assessment

Compliance Area	FY19		FY20		FY21	
	Risk Factors**	Risk of Non-Compliance*	Risk Factors**	Risk of Non-Compliance*	Risk Factors**	Risk of Non-Compliance*
Audit Planning						
General Ledger						
Cash						
Investments						
Capital Assets						
Current Liabilities						
Long-Term Debt						
Tax Increment Financing						
Receipts/Revenues						
Disbursements						
Payroll						
Transfers						
Budgets						
Insurance						
County Auditor						
County Recorder						
County Sheriff						
County Extension						
County Care Facility						
City/County Assessor						
** – Compliance Risk Factors: (Include the applicable risk factor number above.)						
1.	Personnel responsible for compliance are competent and experienced.		9.	New or amended compliance requirement.		
2.	Relatively simple compliance issues.		10.	New or poorly trained personnel.		
3.	No comments regarding non-compliance noted in the prior year.		11.	Complexity of compliance issues likely to result in non-compliance.		
4.			12.	Report comment regarding non-compliance noted in the prior year.		
5.			13.	Non-report comment regarding non-compliance noted in the prior year.		
6.			14.			
7.			15.			
8.			16.			
* – Risk of Non-Compliance:						
H	High					
M	Moderate					
L	Low					

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Code Compliance Risk Assessment

This compliance guide was developed to implement a risk-based approach to testing compliance requirements. In implementing a risk-based approach, compliance requirements will be selected to test based on the compliance risk assessment. To document the auditor’s consideration of risk, a code compliance risk assessment form has been included in this guide.

Each compliance requirement in this guide has been placed into one of four categories. The categories are based on significance of the compliance requirements. The table below provides a description of each category.

Category	Description
Items which must be tested – required comments or public expectation of oversight.	
1	Test and document annually. (required statutory report comments)
2	Test on a rotating basis, at least every three years, based on risk assessment. Workpaper documentation required.
Inquiry with limited observation and documentation:	
3	Inquire about compliance only if considered necessary based on risk assessment. Document the County’s response to inquiry and observation in remarks column. (If auditor becomes aware of non-compliance, it should be addressed).
Addendum:	
4	Items which are not considered to be significant – test if considered necessary based on risk assessment and specific audit situation (if auditor becomes aware of non-compliance in one of these areas, it should be addressed). If procedures are performed, include workpaper documentation, as necessary.

Procedures

- 1) Review prior year comments and enter “18” in the “Non-Compliance Noted/FY” column for each compliance requirement that had a comment.
- 2) Based on the risk of non-compliance set for each compliance area, indicate which procedures will be performed during the current year’s audit with a tick mark in the “Selected” column. Keep in mind the audit approach to compliance may need to be revised based on information obtained during the course of the audit. If you are aware a compliance requirement does not apply, indicate “N/A” in the “Selected” column.
- 3) Perform compliance procedures as selected.
- 4) Enter “19” in the “Non-Compliance Noted/FY” column for each compliance requirement that had a comment.
- 5) Guide should be filed in the workpapers and utilized for multiple years.

2019 Revisions

- 1) Current year new or revised procedures have been noted as **(19)**.
- 2) The following procedure was deleted from the prior year guide:
 - Investments section – removed step 5 which addressed public funds custodial agreements.
- 3) Moved step 5, addressing reserve peace officers, from the General Ledger section to the County Sheriff section.

- 4) In addition to this updated County Compliance Guide, we have made available a 2019 County Compliance Guide Supplement which details changes made to the prior year County Compliance Guide. The Supplement may be used to update the prior year Compliance Guide in lieu of completing a new guide each year.