Sample CSD COMMUNITY SCHOOL DISTRICT

COMPLIANCE TESTING

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.

	FY15	FY16	FY17
Incharge			
Manager			
Independent Reviewer			

	FY15		FY16		FY17	
Compliance Area	**Risk Factors ****	**Risk of Non-Compliance***	**Risk Factors ****	**Risk of Non-Compliance***	**Risk Factors ****	**Risk of Non-Compliance***
Audit Planning						
Cash						
Investments						
Capital Assets						
Current Liabilities						
Long-Term Liabilities/Debt						
Fund Balance/Net Position						
Receipts/Revenue						
Disbursements						
Payroll						
Transfers						
Budgets						
Insurance and Self-Insurance						
Miscellaneous						

****Compliance Risk Factors:** (Include the applicable risk factor number above.)			
1.	Relatively simple compliance issues.	10.	New or amended compliance requirement.
2.	Personnel responsible for compliance are competent and experienced.	11.	New or poorly trained personnel.
3.	No comments regarding non-compliance noted in the prior year.	12.	Complexity of compliance issues likely to result in non-compliance.
4.		13.	Report comment regarding non-compliance noted in the prior year.
5.		14.	Non-report comment regarding non-compliance noted in the prior year.
6.		15.	
7.		16.	
8.		17.	
9.		18.	

***Risk of Non-Compliance:**	
H	High
M	Moderate
L	Low

Sample CSD CSD COMPLIANCE GUIDE

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 District'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 "14" 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 "15" in the "Non-Compliance Noted/FY" column for each compliance requirement that had a comment.

5) Guide should be filed in the Permanent File for multiple year use.

2015 Revisions

1) Current year new or revised procedures have been noted as **(15)**.
2) No procedures have been deleted from the prior year guide.
3) In addition to this updated CSD Compliance Guide, we have made available a 2015 School Compliance Guide Supplement which details changes made to the prior year CSD Compliance Guide. The Supplement may be used to update the prior year Compliance Guide in lieu of completing a new guide each year.

Sample CSD CSD COMPLIANCE GUIDE

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
AUDIT PLANNING:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Board Minutes:														
a. Determine, on a test basis, if meetings were preceded by proper notice. (Chapter 21.4 of the Code of Iowa).	2													
b. 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.	2													
c. Determine if minutes document the Board followed proper proceedings for any closed sessions. (Chapter 21.5 of the Code of Iowa).														
1) The session was closed by affirmative roll call vote of at least two-thirds of the members.	2													
2) The specific exemption under Chapter 21.5 of the Code of Iowa was identified and documented.	2													
3) Final action was taken in open session.	2													
d. Determine, on a test basis, if minutes were published after each meeting in accordance with Chapters 279.35 and 279.36 of the Code of Iowa.	2													
e. Determine if the schedule of bills allowed was published at least once a month, including a list of claims allowed, name of person or firm making the claim, purpose of the claim and amount of claim.	2													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
AUDIT PLANNING (continued):														
2. 28E Organizations:														
a. Determine if the District was a member of a Chapter 28E organization with gross receipts in excess of $100,000 in a fiscal year.	1													
b. If so, determine if arrangements have been made for an audit of the 28E organization in accordance with Chapter 11.6 of the Code of Iowa.	1													

Sample CSD CSD COMPLIANCE GUIDE

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
CASH:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Determine unclaimed property per Chapter 556.1(12) of the Code of Iowa has been reported to the State Treasurer annually before November 1 per Chapter 556.11 of the Code of Iowa.	3													
2. Determine a depository resolution including all depositories used by the District has been approved as required by Chapter 12C.2 of the Code of Iowa.	1													
3. Determine the allowability of any sweep accounts.	3													
4. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.	2													
5. Stamped Warrants:														
a. Determine debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa.	3													
b. Determine interest rates paid on stamped warrants are within legally allowable limits as established by the State Rate Setting Committee in accordance with Chapter 74A of the Code of Iowa.	3													

Sample CSD CSD COMPLIANCE GUIDE

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
INVESTMENTS:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Determine if the District has adopted a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa.	1													
2. Determine if changes to the investment policy comply with the provisions of Chapter 12B.10B of the Code of Iowa and have been approved by the Board.	1													
3. Determine investment transactions complied with the written investment policy.	1													
4. Determine all investments are authorized and comply with statutory provisions of Chapter 12B.10 of the Code of Iowa, as applicable.	1													
5. If applicable, determine if the District has an appropriate public funds custodial agreement as prescribed in Chapter 12B.10C of the Code of Iowa and the Treasurer of State's administrative rules.	3													
6. Determine the underlying collateral of repurchase agreements consists of authorized investments and the District has taken delivery of the collateral either directly or through an authorized custodian as provided in Chapter 12B.10(5)(a)(5) of the Code of Iowa.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
INVESTMENTS (continued):														
7. Related Income:														
a. Determine investment income was received and recorded in the proper fund.														
Specifically, in accordance with Chapter 12C.9(2) of the Code of Iowa, interest earned on the proceeds of notes, bonds, refunding bonds and other evidence of indebtedness and funds being accumulated for the payment of principal and interest or reserves (debt service) is:														
1) Used to pay the principal or interest as it comes due on the indebtedness, (credited to the Debt Service Fund).	3													
2) Credited to the Capital Projects Fund for which the indebtedness was issued.	3													
b. Test interest rates to determine whether rates are in accordance with statutory rates established by the State Rate Setting Committee.	1													
8. Identify the outside persons who invested public funds, provided advice on the investing of public funds, directed the deposit or investment of public funds or acted in a fiduciary capacity for the District.														
a. Determine the contracts or agreements with outside persons require the outside person to notify the District in writing of the existence of material weaknesses in internal control or regulatory orders or sanctions regarding the type of services being provided under the contracts or agreements.	1													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
INVESTMENTS (continued):														
b. Obtain and review the following:														
1) The most recent audited financial statements and related report on internal control of outside persons involved in investing activities for the District.	1													
2) The most recent annual report to shareholders, call reports or the findings pursuant to a regular examination under state or federal law of a bank, savings and loan or credit union.	1													
3) The most recent annual report to shareholders of an open-end management investment company, unincorporated investment company or investment trust registered with the SEC.	1													

Sample CSD CSD COMPLIANCE GUIDE

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
CAPITAL ASSETS:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. For all capital assets (whether records are maintained or not):														
a. Determine compliance with the provisions of Chapter 297.22 of the Code of Iowa relating to the disposition of real property.	3													
b. Determine whether the provisions of Chapter 297.22 of the Code of Iowa relating to the disposition of property with a value of $5,000 or less, other than real property, were complied with.	3													

Sample CSD CSD COMPLIANCE GUIDE

			FY15				FY16				FY17			
	Cate-gory	**Non-compliance Noted/FY**	**Sele-cted**	**Done By**	**WP Ref**	**Remarks**	**Sele-cted**	**Done By**	**WP Ref**	**Remarks**	**Sele-cted**	**Done By**	**WP Ref**	**Remarks**
CURRENT LIABILITIES:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Anticipatory Warrants:														
a. Review authorization for issuance of these obligations.	3													
b. Determine the debt instruments issued comply with provisions of Chapter 74 of the Code of Iowa.	3													

	Cate-gory	Non-compliance Noted/FY	FY15				FY16				FY17			
			Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
LONG-TERM LIABILITIES/DEBT:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. General Obligation Bonds/Notes:														
a. For Statewide (formerly local option) sales and services tax (SAVE) revenue bonds, determine the District has complied with the following requirements, as applicable.														
1) Established a bond sinking account and made the required transfers. (The Department of Education recommends establishing a restricted asset in the Debt Service Fund with an account code of 40-717).	2													
2) Established a bond reserve account and made the required transfers and/or initial deposit of bond proceeds for debt service, if applicable. (The Department of Education recommends establishing a restricted asset in the Statewide Sales and Services Tax Fund with an account code of 33-716).	2													
3) Established other required accounts, if any.	2													
4) Document and include any non-compliance in the Notes to Financial Statements and audit report comment.	2													
b. Determine and document the procedures for bonds or notes sold during the current year were in compliance with Chapters 75 and 296 of the Code of Iowa.	2													
c. Determine and document interest rates on the bonds sold during the period are within the interest rates authorized by Chapter 74A of the Code of Iowa.	2													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
LONG-TERM LIABILITIES/DEBT (continued):														
d. If bonds or notes are callable, determine if debt service balances are adequate to provide for early retirement of bonds and, if so, determine disposition.	2													
e. Determine and document bond or note proceeds are being used in accordance with bond provisions.	2													
f. Determine the indebtedness of the District was within the Constitutional limit of 5% of the value of taxable property within the District in accordance with the Iowa Constitution Article XI.3.	1													
g. Determine the District has complied with the reporting requirements of SEC Rule 15c2-12. Effective July 1, 2009, issuers are subject to ongoing filing requirements for issuances of more than $1,000,000. All continuing disclosure submissions must be provided to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system (www.emma.msrb.org).	3													
h. Determine if the District has established written procedures to monitor compliance with the arbitrage, yield restrictions and rebate requirements under Section 148 of the Internal Revenue Service rules.	2													
2. Capital Leases and Installment Purchases – Determine if capital leases are in accordance with statutory provisions:														
a. Buses (Chapter 285.10 of the Code of Iowa).	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
LONG-TERM LIABILITIES/DEBT (continued):														
b. PPEL (Chapter 298.3 of the Code of Iowa, including the purchase, lease or lease-purchase of equipment or technology exceeding $500 in value per purchase, lease or lease-purchase transaction or lease-purchase option agreements for school buildings).	3													
c. Facilities (Chapter 278.1(2)(b) of the Code of Iowa).	3													
3. Determine loan agreements entered into to purchase equipment comply with Chapter 279.48 of the Code of Iowa.														
a. The issuance of a note payable must mature within five years or the useful life of the equipment, whichever is less.	3													
b. Before entering into the loan agreement, a notice containing the dollar amount and purpose of the agreement must be published at least once in a newspaper of general circulation within the District at least 10 days before the meeting when the loan agreement is to be approved	3													
c. The total annual payments of principal and interest due on all loan agreements authorized by Chapters 279.48 and 285.10(7) of the Code of Iowa must not exceed ten percent of the last authorized budget (for the General Operating Fund) of the District.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
LONG-TERM LIABILITIES/DEBT (continued):														
4. Determine debt issued to make immediately available proceeds of the voter-approved PPEL levy complies with Chapter 297.36 of the Code of Iowa:														
a. The loan matures within the period of time authorized by the voters.	3													
b. The loan bears an interest rate which does not exceed the limits under Chapter 74A of the Code of Iowa	3													
c. The loan amount does not exceed the property tax portion of the voter-approved PPEL.	3													
d. The proceeds of the loan are used for purposes authorized for the voter-approved PPEL levy.	3													
5. Early Retirement:														
a. Review the District's policy on early retirement.	3													
b. Determine if the District's policy complies with Chapter 279.46 of the Code of Iowa.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
FUND BALANCE/NET POSITION:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Review the District's Special Revenue Fund, Student Activity Accounts for proper classification. For those which are not co-curricular in nature, if any, recommend closing the account to the appropriate fund.	3													

Sample CSD CSD COMPLIANCE GUIDE

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
RECEIPTS/REVENUES:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Determine proceeds from the sale or disposition of real property (land and buildings) have been recorded in the Special Revenue Fund, PPEL account in accordance with Chapter 297.22 of the Code of Iowa.	3													
2. Determine proceeds from sale or disposition of property, other than real property, and proceeds from the lease of real or other property have been recorded in the General Fund in accordance with Chapter 297.22 of the Code of Iowa.	3													
3. Determine revenue from the rental of school rooms and grounds has been recorded in the General Fund in accordance with Chapters 297.9 and 297.10 of the Code of Iowa.	3													
4. Determine the District has limited school fees charged to those categories identified in Department of Education declaratory order #62, as follows:	2													
a. Textbooks.														
b. School supplies.														
c. Eye protective devices.														
d. Ear protective devices.														
e. Summer school courses.														
f. Driver education courses.														
g. Discretionary transportation.														

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
DISBURSEMENTS/EXPENDITURES:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. For travel and questionable disbursements:														
a. Scan account detail for travel expenses and disbursements which may not meet public purpose criteria.	1													
b. Prepare workpapers, as necessary, to adequately document for report presentation.	1													
2. For related party transactions:														
a. Schedule all related party transactions with District officials or employees for comment. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include all payments applicable to the period when the individual was an employee or official of the District. Determine compliance with Chapter 279.7A of the Code of Iowa. Disclose material transactions in the Notes to Financial Statements.	1													
b. Determine and document compliance with the provisions of Chapter 301.28 of the Code of Iowa and an Attorney General's Opinion dated November 9, 1976 regarding school officers and teachers not acting as an agent for books and supplies, including sports apparel and equipment.	1													
3. Obtain copy of the District's policy regarding payment of claims prior to Board approval. Determine if procedures are followed as prescribed and are in compliance with Chapters 279.29 and 279.30 of the Code of Iowa.	2													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
4. Determine and document:														
a. The Board has adopted written guidelines for use of any District-issued credit cards to pay for actual and necessary expenses incurred in the performance of work related duties in accordance with Chapter 279.8 of the Code of Iowa.	2													
b. Textbooks were purchased and paid for in accordance with Chapters 301.1 and 301.4 of the Code of Iowa. (Note: Textbooks include books, electronic textbooks and laptop/other portable computing devices used for nonreligious instructional use).	2													
c. Disbursements for extra-curricular activities were in accordance with an Attorney General's Opinion dated November 12, 1992.	2													
d. Determine if the District receives funds under the Home School Assistance Program for students who receive competent private instruction or CPI (children who are home schooled).	2													
e. Determine only "appropriate" materials are purchased for CPI children. Direct payments of public funds should not be made to parents of CPI children.	2													
5. If canceled checks are not received, are electronically retained check images (both front and back) received per Chapter 554D.114(5) of the Code of Iowa?	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
6. **(15)** For construction contracts (for bid/quote thresholds applicable prior to 1-1-15, refer to the 2014 Compliance Guide):														
a. For public improvements with estimated total cost exceeding the competitive bid threshold established by Chapter 26.3 of the Code of Iowa ($135,000 effective 1-1-15), determine the public hearing and bidding requirements of Chapters 26.3 through 26.13 of the Code were followed:	2													
1) Determine the District 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													
2) Determine the District 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.	2													
3) Determine the District 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.	2													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
4) Determine the District awarded the contract for the public improvement to the lowest responsive, responsible bidder as required by Chapter 26.9 of the Code of Iowa.	2													
b. **(15)** Determine the District 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 required bid thresholds but greater than the threshold amount established by the bid threshold committee per Chapter 314.1B of the Code of Iowa. (For a District with a population less than 50,000, $55,000 effective 1-1-15 and for a District with a population of 50,000 or more, $75,000 effective 1-1-15)	2													
1) For work performed by District employees, other than repair or maintenance work, determine the District 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.	2													
2) Determine the District 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.	2													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
DISBURSEMENTS/EXPENDITURES (continued):														
c. 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.	3													
d. Determine the District applied for and received sales tax refunds on completed projects unless an exemption certificate was issued by the District for the contractor per Chapter 423.3(80)(b) of the Code of Iowa.	3													
e. For public improvement projects, determine the District complied with requirements for the early release of retained funds in accordance with Chapter 26.13 of the Code of Iowa.	3													
f. Determine construction contracts do not contain clauses which would make the in-state construction contract 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.	3													
7. Mileage was paid at a rate approved by the Board 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.	3													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
PAYROLL:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Determine salaries have been published as required for all employees, including School Nutrition Fund employees, in accordance with Chapter 279.35 of the Code of Iowa. Obtain a copy of the publication and test selected items for accuracy.	3													
2. Determine if Forms 941, W-3 or W-2 were filed with the IRS, as appropriate.	3													
3. Determine if the District properly prepared Form 1099 for outside services of $600 or more and determine workers were properly classified as independent contractors rather than employees.	3													
4. Determine the District's policy pertaining to payment of employees for extra-curricular activities:														
a. If employees are compensated for services relating to extra-curricular activities, determine and document the method of payment.	3													
b. Determine if the method of payment allows for compliance with Chapter 422.16 of the Code of Iowa pertaining to the withholding of income tax.	3													
5. Determine if any employees receive a flat dollar allowance for travel, clothing or uniform cleaning. If so, determine if this allowance is included in taxable income on the W-2.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
PAYROLL (continued):														
6. Determine if the District provides vehicles or housing for employee use. If so, determine if these qualify as taxable fringe benefits per IRS regulations and, if applicable, were properly reported as taxable income on the employee's W-2.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
TRANSFERS:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Trace to approval in Board minutes or budget as applicable.	2													
2. Review transfers for propriety and document findings. Include contributions and reimbursements from the General Fund to the Special Revenue Fund, Student Activity Accounts and review for propriety.	2													
3. For interfund loan transfers, determine the District is in compliance with the Iowa Department of Education Declaratory Order #4672 including Board approval of the loan, interest is paid by the borrowing fund and timely repayment of the loan.	2													

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	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
BUDGETS:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Examine proof of publication for published certified budget and reconcile to adopted certified budget:														
a. Determine the tax levy adopted was not in excess of the estimate published in accordance with Chapters 24.14 and 24.15 of the Code of Iowa.	1													
b. Determine the budgeted amount of expenditures adopted is not higher than the estimated budget amount published for any of the four expenditure functions (legal level of budgetary control) or in total per Chapter 24.14 of the Code of Iowa.	1													
2. Determine hearings were held and publications were made in accordance with Chapter 24.9 of the Code of Iowa.	3													
3. Determine if amendments were adopted before disbursements exceeded the budget.	1													
4. If amendment was adopted, determine if it was adopted by May 31.	3													
a. If not, determine if amendment was protested.	3													
b. If protested, determine if a State Appeal Board decision was reached before June 30.	3													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
BUDGETS (continued):														
5. Determine whether the District exceeded its authorized budget (spending authority). (Chapter 257.7 of the Code of Iowa)														
a. Obtain a copy of the Department of Management's calculation of spending authority.	1													
b. Recalculate authorized budget (spending authority) using applicable audited amounts.	1													
c. If the authorized budget (spending authority) is less than the certified budget, prepare a working paper to determine if disbursements in the General Fund exceeded the authorized budget.	1													

Sample CSD CSD COMPLIANCE GUIDE

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
INSURANCE AND SELF-INSURANCE:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Verify and review surety bond coverage for adequacy and reasonableness and compliance with statutory requirements for all officials and employees in accordance with Chapters 279.8 and 291.2 of the Code of Iowa.	1													
2. If the District has a self-funded health insurance plan, including self-funded deductibles, determine if the actuarial report required by Chapter 509A.15 of the Code of Iowa was completed.	1													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
MISCELLANEOUS:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
1. Categorical Funding: Audits of school districts must document compliance with Chapter 11.6 of the Code of Iowa regarding categorical funding. According to the Iowa Department of Education administrative rules (Iowa Administrative Code (IAC) Section 281, Chapter 98), "Categorical funding means financial support from state and federal governments that is targeted for particular categories of students, special program or special purposes. Categorical funding includes both grants in aid and budgetary allocations." For purposes of this compliance guide, evidence of testing categorical funding is required annually, but specific categorical funds (programs) are listed as category (2). Auditors should document testing each year and the specific categorical funding tested each year so all categorical funding is tested on a rotating basis, at least every three years, based on risk assessment and applicability. Workpaper documentation is required. Refer to the Iowa Department of Education administrative rules for listings of appropriate and inappropriate uses of the following specific categorical funding (4 digit project dimension):	1													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
a. Home school assistance program (HSAP) (3338) (Chapter 299A.12 of the Code of Iowa).	2													
b. Statewide voluntary four-year-old preschool program (3117) (Chapter 256C of the Code of Iowa).	2													
c. Limited English proficiency (LEP) weighting (1112).	2													
d. At-risk formula supplementary weighting (1116).	2													
e. Gifted and talented program (1118).	2													
f. Returning dropout and dropout prevention program (1119).	2													
g. Use of unexpended General Fund balance (1117).	2													
h. Iowa early intervention block grant (3216) (Chapter 256D of the Code of Iowa).	2													
i. Teacher salary supplement (3204 & 3205) (Chapter 284 of the Code of Iowa).	2													
j. **(15)** Teacher leadership supplement (3387) (Chapter 284 of the Code of Iowa).	2													
k. Educator quality, professional development (3376) (Chapter 284 of the Code of Iowa).	2													
l. Beginning teacher mentoring and induction (3202) (Chapter 284 of the Code of Iowa).	2													
m. Beginning administrator mentoring and induction (3209) (Chapter 284A of the Code of Iowa).	2													
n. Nonpublic textbook services (3222) (Chapter 301 of the Code of Iowa).	2													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
MISCELLANEOUS (continued):														
o. **(15)** Early literacy (3342) (Chapter 279 of the Code of Iowa).	2													
Categorical funding compliance procedures (Duplicate as needed to test programs):														
_____ (categorical funding program)	2													
1) Determine the moneys received for categorical funding are credited to the appropriate fund per Chapters 257 and 298A of the Code of Iowa and Iowa Department of Education administrative rules (IAC Section 281, Chapter 98).														
2) Determine moneys received are spent in accordance with the applicable statutes of the Code of Iowa and Iowa Department of Education administrative rules. Specifically:														
a) Indirect cost recovery was not applied to categorical funding provided by the State unless permitted by the Code of Iowa.														
b) Categorical funding was used to supplement, not supplant, expenditures unless expressly permitted by the Code of Iowa.														
c) Unexpended categorical funding at year-end, if any, has been reported as reserved fund balance.														
d) Discontinued categorical funding has been carried forward to be expended within 24 months unless a longer period is expressly permitted.														

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
e) Expenditures were limited to direct costs of providing the program or service and did not include allocated costs, indirect costs or overhead.														
f) Expenditures have not been duplicated or charged to more than one categorical funding program.														
g) Expenditures charged to the categorical funding program do not exceed the total of the current year's funding or allocation plus any carry forward balance from the previous year.														
h) Categorical funding was not commingled with other funding. According to the administrative rules, "Categorical funding shall not be commingled with other funding. School districts shall use a project code and program code as defined by UFA."														
2. Certified Enrollment - Certified enrollment is reported to the Department of Education.														
a. Obtain documentation from the Department of Education's website at https://www.educateiowa.gov/data-reporting/data-reporting/certified-enrollment of the amount certified as basic enrollment for the District for October 1 (or the first Monday in October if October 1 falls on a Saturday or Sunday) included in the audit year.	1													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
b. Review, evaluate and document the procedures used by the District for the SRI (Student Reporting in Iowa) system for adequacy. Procedures to review/evaluate include, but are not limited to, system security controls, addition and deletion controls and cutoff procedures for the October 1 count.	1													
c. Based on the review of the District's procedures and the auditor's risk assessment, determine the additional procedures to be performed, if any. Additional procedures could include, but are not limited to, the procedures below.	1													
1) Determine if the District's procedures are adequate for verifying foreign exchange, dual enrolled, nonpublic shared time and tuitioned-in students are properly identified in the student information system.	3													
2) Determine if the District's procedures are adequate for notifying each school of the presence of the students identified in the previous procedure.	3													
3) Determine regular education foster care students have been included if the student was not a resident of the District prior to entering foster care and was enrolled in the district on October 1.	3													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
d. Obtain and document potential audit adjustments (including adjustments for 5 year old preschool) identified by the Department of Education and determine if the items identified should be included as enrollment variances. (Note: The Department of Education provides summary information about the potential audit adjustments to auditors (via e-mail) and detailed information to the District).	1													
e. Perform additional procedures to test and/or verify, as deemed necessary.	1													
f. Include findings and recommendations regarding the District's procedures for certified enrollment in the required statutory comment of the audit report including late certifications (Due date is October 15).	1													
g. Report any enrollment variances noted for certified enrollment to the Department of Management (DOM) and send a copy of the letter to the Department of Education (DE). Comment accordingly.	1													
3. Supplementary Weighting – Through inquiry and review:														
a. Determine supplementary weighting is pursuant to an eligible sharing condition.	1													
b. Determine postsecondary courses provided in accordance with Chapters 257.11 and 261E of the Code of Iowa supplement, rather than supplant, school district courses.	1													
c. Report any findings noted in the statutory comments in the audit report.	1													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
4. Certified Annual Report (CAR) (chart of account upload and web based forms) - determine the Certified Annual Report was completed and filed timely (Due date is September 15).	3													
5. Foster Care Students – Obtain a copy of the District's Foster Care Claim Form.														
a. **(15)** Determine students included in foster care are properly supported.	3													
b. **(15**) Determine revenue for foster care students has been recorded properly to source code 3121.	3													
c. Determine the claim does not include any special education students or any resident students.	3													
d. **(15)** Determine the claim was filed timely (Due date is August 1).	3													
6. Secure an Advanced Vision for Education Fund (SAVE) revenue:														
a. Determine statewide SAVE revenues are recorded in a separate Capital Projects Fund in accordance with DE guidance.	3													
b. Determine SAVE expenditures are in accordance with the revenue purpose statement and Chapter 423E of the Code of Iowa. File a copy of the revenue purpose statement in the permanent file.	1													
c. Determine bonds issued to make immediately available the SAVE revenues were issued in accordance with Chapter 423E.5 of the Code of Iowa.	3													

		Non-compliance Noted/FY	FY15				FY16				FY17			
	Cate-gory		Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
d. For a district with certified enrollment fewer than 250 pupils in the entire District or fewer than 100 pupils in high school, determine the District received a certificate of need from the Department of Education prior to expending the supplemental school infrastructure amount for new construction or for payments for bonds issued for new construction on or after April 1, 2003 in accordance with Chapter 423E.4(5) of the Code of Iowa.	3													
7. **(15)** State supplemental assistance for high-need schools:														
a. Determine whether moneys received were accounted for separately in accordance with Chapter 281.11(4) of the Code of Iowa.	3													
b. Determine whether expenditures were in accordance with Chapter 284.11(5) of the Code of Iowa.	3													
8. Nonprofit School Organizations established under Chapter 279.62 of the Code of Iowa:														
a. Determine the Board adopted a resolution and held a public hearing prior to establishing a nonprofit school entity or organization.	2													
b. Determine the records of the nonprofit school entity or organization complied with the open records law of Chapter 22 of the Code of Iowa.	2													
c. Determine the District has been reimbursed for any expenditures made on behalf of the nonprofit school entity or organization.	2													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
MISCELLANEOUS (continued):														
9. Entrepreneurial Education Fund established under Chapter 298A.15 of the Code of Iowa:														
a. Determine the establishment of the Entrepreneurial Education Fund was properly approved by the Board.	3													
b. Determine if the fund consists only of money earned or returns on investments made for entrepreneurial purposes, private donations and contributions of interest earned on deposits.	3													
c. Determine all disbursements were for investment activities related to entrepreneurial education purposes and were properly approved by the Board.	3													
d. Determine no investment was made where a conflict of interest, as defined in Chapter 298A.15 of the Code of Iowa, existed.	3													

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	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
CASH:														
1. Determine the District has ensured all public fund deposits in banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program).	4													
2. Determine the propriety of any cash pledged as collateral or otherwise restricted.	4													
3. Stamped warrants - Determine if interest paid was computed in accordance with Chapter 74.6 of the Code of Iowa.	4													

			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
INVESTMENTS:														
1. Determine interest earned on investments was credited to the General Fund as required by Chapter 12C.7(2) of the Code of Iowa, except as otherwise provided by law.	4													

	Cate-gory	Non-compliance Noted/FY	FY15				FY16				FY17			
			Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
FUND BALANCE/NET POSITION:														
1. Determine the District is following the GAAP fund structure in accordance with Chapter 298A of the Code of Iowa.	4													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
RECEIPTS/REVENUE:														
1. Sale of Bonds/Notes:														
a. Determine if premiums or discounts and accrued interest from the sale of bonds/notes were in accordance with Chapter 75.5 of the Code of Iowa.	4													
b. Determine proceeds of notes, bonds, refunding bonds and other evidences of indebtedness, if not immediately needed, were invested in accordance with Chapter 12C.9(2) of the Code of Iowa.	4													

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			FY15				FY16				FY17			
	Cate-gory	Non-compliance Noted/FY	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks	Sele-cted	Done By	WP Ref	Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
PAYROLL:														
1. Vehicle Usage:														
a. Obtain copy of District's policy regarding vehicle usage. Identify specifics for:														
1) Incidental personal use.	4													
2) Commuting.	4													
3) Assignment of vehicles.	4													
4) Documentation required.	4													
5) Restricted vehicle uses.	4													
6) Reimbursement by employee for personal use.	4													
7) Additional compensation for employees.	4													
8) Public purpose served.	4													
9) Other.	4													
b. Determine if District's procedures are adequate and reasonable to comply with:														
1) Recordkeeping requirements.	4													
2) Taxation requirements.	4													
3) Public purpose requirements.	4													

		Non-compliance Noted/FY	FY15				FY16				FY17			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
TRANSFERS:														
1. Determine funds are transferred to the Debt Service Fund from the appropriate fund in accordance with Chapter 298A.10 of the Code of Iowa for the payment of:														
a. Lease payments payable from PPEL sources in accordance with Chapter 298.3 of the Code of Iowa.	4													
b. Debt issued to make immediately available proceeds of the voter-approved PPEL levy in accordance with Chapter 297.36 of the Code of Iowa.	4													
c. Loan agreements payable from General Fund sources entered into in accordance with Chapter 279.48 of the Code of Iowa.	4													

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	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
BUDGETS:														
1. Determine if proof of publication exists for each published certified budget amendment.	4													
2. Determine the budget was certified to the County Auditor by April 15 per Chapter 24.17 of the Code of Iowa.	4													

	Cate-gory	Non-compliance Noted/FY	FY15 Sele-cted	FY15 Done By	FY15 WP Ref	FY15 Remarks	FY16 Sele-cted	FY16 Done By	FY16 WP Ref	FY16 Remarks	FY17 Sele-cted	FY17 Done By	FY17 WP Ref	FY17 Remarks
ADDENDUM:			**Risk:** H M L				**Risk:** H M L				**Risk:** H M L			
INSURANCE:														
1. If the District has a self-funded health insurance plan, including self-funded deductibles:														
a. Determine if a copy of the actuarial opinion and annual financial report were filed with the Insurance Commissioner within 90 days of year-end.	4													
b. If an actuarial report was not obtained because the District qualified under Chapter 509A.15(4) of the Code of Iowa, determine a waiver was properly requested from the Iowa Insurance Division.	4													