



# AUDIT EXPECTATIONS

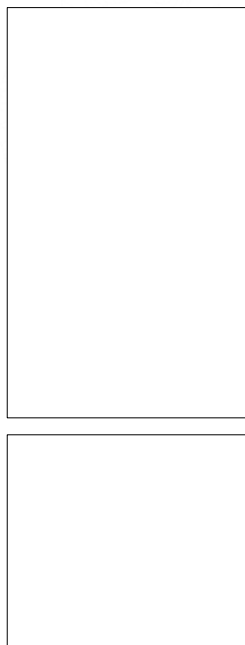

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Treasurer's Conference 2022  
Staci Byrns  
State Board of Accounts

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## TOPICS

- What Does an Audit Consist of
- Internal Controls
- What to Expect During Audit
- Monthly and Annual Engagement Uploads
- Official Response
- Repeat Findings
- Corrective Action Plan (CAP)



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# WHAT DOES AN AUDIT CONSIST OF


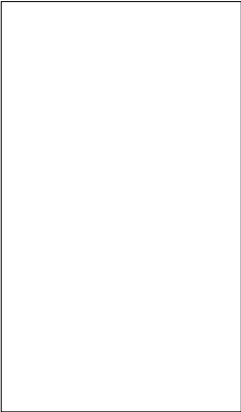



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## AUDIT TYPES

AUDITS:


- Financial Statements
  - Annual Financial Report in Gateway
- Federal Programs
  - Schedule of Federal Expenditures(SEFA)
- Compliance



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	<h2>AUDIT FINDINGS</h2>	
	<p>Deficiency in Internal Controls</p> <p>Non-Compliance</p> <ul style="list-style-type: none"><li>▪ Statute</li><li>▪ Uniform Compliance Guidelines</li><li>▪ Local policy</li><li>▪ Grant Requirements</li></ul>	
		


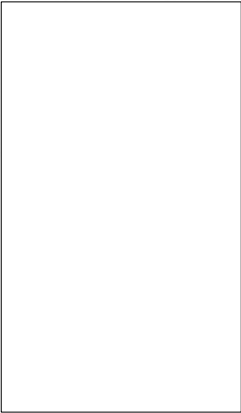

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	<h2>REPORT OF AUDIT FINDINGS</h2>	
	<p>Verbal Comments (MFC)</p> <p>Management Letter</p> <p>Comments in Audit Report</p> <ul style="list-style-type: none"><li>• Federal Findings</li><li>• Audit Results and Comments (ARC)</li></ul>	
		

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# PURPOSE OF FINDINGS

- Need for Resolution
- Understand the problem
- Take corrective action – often requires establishing or modifying internal controls.



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# INTERNAL CONTROLS



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# INTERNAL CONTROLS

First step was to understand internal control

Second step is an ongoing process

- Establish policies (in writing)
- Modify as needed over time



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# FIVE COMPONENTS

Control Environment

Risk Assessment

Control Activities

Information and Communication

Monitoring






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# WHAT TO EXPECT DURING AUDIT



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-  On-site & Remote Audit Work
-  Request of Documentation
-  Follow up on prior period comments

## WHAT TO EXPECT DURING AUDIT



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# MONTHLY AND ANNUAL ENGAGEMENT UPLOADS



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## MONTHLY AND ANNUAL ENGAGEMENT UPLOADS


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**Monthly Uploads**

- Bank Reconcilements
- Bank Statements
- Outstanding Check Lists
- Cash Balance Report (Cash Book)
- Documentation of Reconciliation of Form 61

**Annual Uploads**

- Year End Investment Statements



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# OFFICIAL RESPONSE



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## OFFICIAL RESPONSE

At exit, you will be asked if you would like to provide an official response to the results and comments in the form of a letter to be bound in the report.



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# REPEAT FINDINGS




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## REPEAT FINDINGS

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- Finding in Report – Take corrective action
  
- Finding is repeated in subsequent Report:
  - Corrective Action Plan filed with SBOA
  - Follow up by SBOA



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## ROOT CAUSE

- The first step is to fully understand the issue.
- Second step to determine the root cause.
- The power of “Why”



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## ROOT CAUSE (CONTINUED)


Problem – Bank Reconciliation not done.

- Why – no one completed it
- Why – no one was assigned to complete it
- Why- there are no procedures in place to assign the work and monitor the work



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# CORRECTIVE ACTION PLAN (CAP)



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## CORRECTIVE ACTION PLAN

Packet will be given at exit conference


- Templates

10 days to respond

- Can ask for more time

Six months to implement

- Can ask for more time



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# CORRECTIVE ACTION PLAN


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SBOA review and approval

Report when implementation is complete.

SBOA follow up


- Send in documents
- On site follow up



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CORRECTIVE ACTION PLAN FOR

<b>Report period:</b>	
<b>Title of result and comment:</b>	
<b>Contact person Responsible for Corrective Action:</b>	
<b>Contact's Phone Number:</b>	
<b>Contact's Email Address:</b>	
<b>Views of Responsible Official:</b>	
<b>Description of Corrective Action Plan:</b>	
<b>Anticipated Completion Date:</b>	
<b>If applicable: Document reason issue will NOT be corrected within 6 months:</b>	



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## SBOA RESOURCES

Visit our website: <https://www.in.gov/sboa/political-subdivisions/counties/>

- Corrective Action Plan (CAP) – Repeat Findings
- Uniform Compliance Guidelines
  - Internal Control Manual
  - County Treasurers Manual
- Resource Library



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## NEED HELP? HAVE QUESTIONS?



Call or Email Us

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Or email us at  
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