

# AUDIT EXPECTATIONS

ILMCT Fall Conference 2022  
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State Board of Accounts



# TOPICS

- What Does an Audit Consist of
- Types of Engagements
- What to Expect During Audit
- Official Response
- Repeat Findings
- Corrective Action Plan (CAP)



# STATE BOARD OF ACCOUNTS

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# ENGAGEMENT TYPES

## AUDITS:

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

Reviews

Small Unit Compliance



# WHAT DOES AN AUDIT CONSIST OF



# AUDIT FINDINGS

Deficiency in Internal Controls

Non-Compliance

- Statute
- Uniform Compliance Guidelines
- Local policy
- Grant Requirements



# REPORT OF AUDIT FINDINGS

Verbal Comments (MFC)

Management Letter

Comments in Audit Report

- Federal Findings
- Audit Results and Comments (ARC)



# PURPOSE OF FINDINGS

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





# WHAT TO EXPECT DURING AUDIT





On-site & Remote Audit Work



Request of Documentation



Follow up on prior period comments

# WHAT TO EXPECT DURING AUDIT

# OFFICIAL RESPONSE



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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.



# REPEAT FINDINGS



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## IC 5-11-5-1.5

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



# CORRECTIVE ACTION PLAN (CAP)



# 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





# CORRECTIVE ACTION PLAN

SBOA review and approval

Report when implementation is complete.

SBOA follow up

- Send in documents
- On site follow up



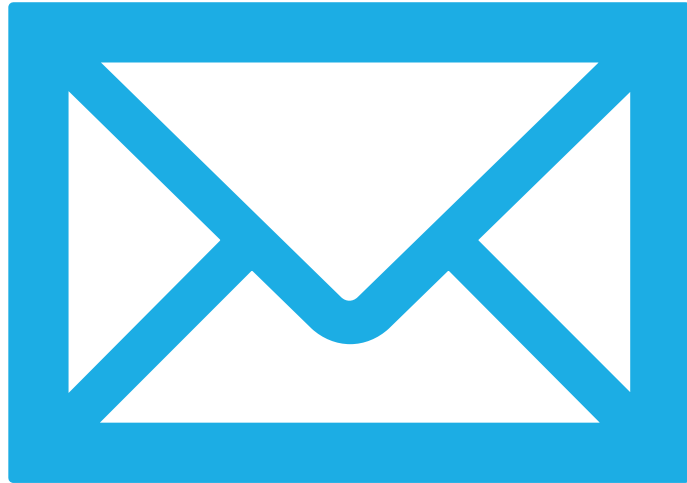
# SBOA RESOURCES

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

- Corrective Action Plan (CAP) – Repeat Findings
- Uniform Compliance Guidelines
  - Internal Control Manual
  - Cities / Towns Manuals
- Resource Library



# NEED HELP? HAVE QUESTIONS?



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