AUDITS:
PURPOSE, PREPARATION, AND RESULTS

REQUIRED AUDIT

- Indiana Code 5-11-1-9
  Requires the State Examiner to examine all accounts and all financial affairs of every public entity

- Federal Grant Agreements
  Federal grant agreements commonly call for an annual audit
REQUIRED AUDIT CONTINUED

What is the Purpose of the Audit?
- To place an opinion on the financial statements of the county
- To report on identified non-compliance

What departments are included?
- All departments within a county are subject to an audit

Are all departments audited every audit?
- No

How are departments selected for audit?
- We determine which departments are material to the Financial Statements
- We review information submitted to our office
- We review the prior report
- Auditor Judgement

The department has been selected for audit!
AUDIT PREPARATION

Records Needed:

1. Department Ledger that includes all receipts, disbursements, and balances
2. Report of Collections
3. Bank Reconcilements – including all supporting documentation
4. Duplicate receipts
5. Pre-paid/Accounts Receivable

EXPECTATIONS

• The field examiner assigned will need to determine what controls are in place throughout the office and whether they have been properly designed and implemented.

• This can be done through:
  a. Inquiry with official and staff
  b. Observation of the process
  c. Inspection of documents

• Field examiner will communicate any deficiencies found
Financial Statements:
- All receipts, disbursements, and balances should be recorded in Fee and Cash Book
- The Fee and Cash Book should be in agreement with the Recorder’s Report of Collections and the receipts on the Auditor’s ledger that will appear in the financial statements

Bank Reconcilements:
- The ending bank balance should reconcile to the ending ledger balance for the department
- All reconciling items should have supporting documentation
- Reconcilements are to be done monthly

Receipts:
- Receipts are to be posted daily
- Cash / Check are deposited timely and intact
- Credit Card payments posted/reconciled
- Fee collected should agree to statute
- All money received during the month was included in the Report of Collections and turned over to the County.

Subsequent (After the audit period):
- Records are to be up to date
- Are there items that might need to be disclosed
AUDIT CONCLUSION

Communication:
• Field Examiners will discuss any issues throughout the audit process
• No surprises at Exit

AUDIT CONCLUSION – EXIT CONFERENCE

• Field Examiners will discuss any issues found that will be In the Audit Report
• Commissioners and Council will also be informed of issues
• An official response can be made to appear in the report as well
QUESTIONS