

# Audit Process, Internal Controls, and Common Audit Findings

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# Audit Process

- Contract audits vs. internal audits
- Entrance conference
- Fieldwork
- Audit results
- Responses
- Reporting



# Internal Controls

- Control Environment
- Risk Assessment
- Control Activities
- Information/Communication
- Monitoring



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# How can I use this?

- Develop and adopt policies and procedures
- Increase compliance
- Increase effectiveness and efficiency
- Reduce audit findings



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# What if I don't use this

- Complacency
- Increase audit findings
- Inaccuracies
- Incomplete work
- Unsure of duties



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# Common Audit Findings

- Cash/Revenue
- Cost-share
- Elections
- Financial Reporting
- Personnel/Payroll
- Missouri Sunshine Law



# Cash and Revenue

- Unreconciled balances
- Bank reconciliations
- Pre-numbered receipts
- Segregation of duties
- Rental agreements



# Cost-Share

- Undocumented approvals
- Work started prior to approval
- Evidence of completion
- Maintenance follow-up procedures
- Cancellation forms
- Abstain from voting on their own practice



# Elections

- Centralized file for all election documentation
- Two candidates for each territory
- Nominating committee not in minutes
- Voters not listed
- Voter eligibility not confirmed
- Times polls open/closed



# Financial reporting

- Annual reports not reviewed/reconciled
- Quarterly reports not submitted timely
- Bank transactions not in accounting system
- Transactions misclassified



# Personnel/payroll

- I-9 and W-4 forms maintenance
- Work schedules in policy
- Hours worked/MOSWIMS timesheet reconciliations
- Employee earning record reconciliations
- 941 form reconciliations
- Admin grant funds for outsourcing payroll



# Sunshine Law

- District Sunshine Law policy/procedure
- Custodian of records
- Board meeting notices
- Meeting location/absent members
- Detail all expenses
- Minutes approved/signed
- Closed session

# Questions?

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Internal Audit

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