DESK REVIEW FOR 2009-2010 AUDITS OF SCHOOL DISTRICTS

SCHOOL CODE:		SCHOOL DISTRICT:					
AUDIT FIRM:					DATE REVIEW STARTED:		
AUDIT ACCEPT: A AR S SI		QCR BOA DATE: N/A			DATE REVIEW COMPLETED:		
DATE A133 REC'D:		RECEIVED MANAGEMENT LETTER Y N				AUDITOR:	
Condition F,RC, NC,II	To:	Date of Follow-up	Date Response Received	Amount Question Costs	Amount Received	Condition Resolved Y N P	Second Request Date
NOTES:							
RPT			MGMT CO			AUTHORIZER	

I. Schedule of Findings and Questioned Costs:

1. Number of Findings Current Year? Per Audit _____ Per DCF _____
   Number of Findings Prior Year? Per Audit _____ Per DCF _____
   Questioned Costs Per Audit? $ _____
   Status of Prior Year Findings Included? Y N/A Check last year's desk review Y N/A

2. Internal Control Weaknesses
   A. Significant Deficiencies ____ C. Material Noncompliance ___
   B. Material Weaknesses ____ D. Management Letter Comments ___

3. Is the school district's response required? Yes ____ No ___
   If yes, is response included in the report? Yes ____ No ___
   Acceptable? Yes ___ No ___ Follow Up Action (Use schedule above)

4. Per the auditor, does this school qualify as a low-risk auditee? Yes ____ No ___

II. Financial Statements:

1. Financial statement presentation and note disclosures:
   A. MD&A? Pp.____ Yes ___ No ___
   B. Government wide F/S? Pp.____ Yes ___ No ___
   C. Complete and comply with GAAP? Yes ___ No ___
   D. Balance Sheet contains required funds? Pp.____ Yes ___ No ___
   E. Balance Sheet contains accrued liabilities? Yes ___ No ___

2. Comparison of General Fund balance between audit and FID-Per FID $_____
   If fund deficit, when was DEP approved? ____ -Per Audit $_____

3. Transfer from School Service Fund to General Fund? If so, reference and identify – is it allowable?
   Transfer from Debt Service Fund to General Fund? If so, reference and identify – is it allowable?

4. Notes/reports disclose questioned/unsupported costs material or significant to the financial statements/federal programs. Yes ___ No ___ If yes, are they reflected appropriately in notes and reports? Yes ___ No ___ If no, reference and identify.

5. Material/significant violations of finance - related legal and contractual provisions (deficit(s), excess of expenditures over appropriations in individual funds, etc.)Yes ___ No ___ Reference and identify if not appropriately reflected in the notes, reports and schedules.
   Line items: Rev
   Exp
   Trans
   GF Fund Bal

III. <u>Review of Reports and Schedules</u>:

1. Auditor's opinion on the financial statements:

   ☐ Unqualified ☐ Qualified ☐ Adverse ☐ Disclaimer of Opinion

   Auditor's opinion on major program compliance:

   ☐ Unqualified ☐ Qualified ☐ Adverse ☐ Disclaimer of Opinion

2. Opinion or explanatory information has material or significant effect on the Federal programs or on the financial statements.
   Yes ___ No ___ If yes, reference and explain.

3. REPORTS: Mark "X" for the acceptable, make notes for follow-up.

   <u>Acceptable</u>

   ( ) Auditor's Report on the Financial Statements

   ( ) Report on Supplementary Schedule of Expenditures of Federal Awards (May be combined with the Above Report)

   ( ) Report on Compliance with Requirements Applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

   ( ) Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements performed in accordance with Government Auditing Standards.

   ( ) Other reports - fraud, abuse or illegal act is discovered or suspected (N/A)

   All applicable reports are included and acceptable Yes ____ No ___

4. SCHEDULES: Mark "X" for the acceptable, make notes for follow-up

Acceptable

( ) A. Schedule of Findings & Questioned Costs

( ) (1) Summary of auditor's results

( ) (2) Indicates major programs Yes ____ No ___ 25% low-risk 50% high-risk
Agrees to DCF? ____

( ) (3) Presentation of findings relating to the
Financial Statements

( ) (4) Presentation of findings relating to the
Federal Awards

( ) (5) Corrective action plan and comments on
auditor's findings and recommendations

( ) B. Summary Schedule of Prior Audit Findings (N/A)

( ) (1) Status of prior year findings

( ) (2) Recommendations and comments of the
auditor on prior year findings

( ) C. Schedule of Expenditures of Federal Awards

( ) (1) CFDA and project numbers

( ) (2) Subtotals for each CFDA # & grand totals for
Federal Financial Assistance Received and Expended

( ) (3) Current year cash "payment in kind" received from Federal sources AND expenditures for each program are reported by department and passed through grantor

( ) (4) The value of commodities received and expended. Commodities are appropriately presented in the Financial Statements & FID. If no, explain. Yes ____ No ___

	PAL	SEFA	Difference
Entitlement Receipts			
Bonus Receipts			
Entitlement Expenditures			
Bonus Expenditures			
	FID	SEFA	

( ) (5) Verified with R7120 all Federal funds received from MDE _____ Deferred Revenue? ____

( ) (6) Columns and format

( ) (7) Footnotes and disclosure (pg.____)

( ) (8) Schedule crossfoots

( ) D. Schedule of reconciliation (N/A)
F/S *$*_____
A-133 *($*_____)

Agrees to DCF? ____

( ) E. Schedule of Federal funds provided to subrecipients (N/A)

All applicable schedules are included and acceptable Yes ___ No ___

IV. Conclusion: In my opinion, the report is:

( ) Acceptable
( ) Acceptable with Reservation
( ) Substandard
( ) Significantly inadequate
( ) A quality control review should be scheduled. (Reasons for QCR recommendation).

Signature _____ Date Review Completed _____

COMMUNICATION SECTION

DEFINITIONS FOR CONCLUSIONS ON THE DESK REVIEW FORM

Acceptable - The report is usable without change or with minor changes. The report generally meets the objectives of the audit and needs of the users. The auditor has substantially complied with State and Federal requirements and professional standards. Examples include (1) the report does not identify intended users, (2) the schedule of federal financial assistance includes erroneous project numbers, (3) a report letter includes items that are not applicable and (4) footnotes are missing.

Acceptable with Reservation - The report is acceptable or usable by MDE with additional explanations or assurances from the auditor. The audit is not in complete compliance with State or Federal requirements or professional standards, however, the auditor has committed to making the corrections in the subsequent audit. Errors do not have a significant impact on the audit for most users, therefore, revised reports are not required. Examples include (1) the Schedule of Federal Financial Assistance does not have additional columns as required by the Manual, (2) the report is lacking a schedule of Federal Financial Assistance provided to subrecipients and (3) the subsequent audit is being done and the auditors have corrected the problem.

Substandard - The report/audit requires major changes. It requires correction and reissuance of one or more report letters or schedules. The deficiencies diminish the reliability and usability of the report. Examples of these types of deficiencies include (1) failure to identify the categories of internal control, (2) insufficient information in audit findings, (3) programs not tested, (4) significant violation of the 50% rule and (5) report is missing.

Significantly Inadequate - The report contains deficiencies that make the audit report unusable for fulfilling one or more objectives of the audit. The deficiencies are material and pervasive in nature. The deficiencies are identified with several report components. Examples of this type of deficiency include (1) the lack of a required report component and failure to provide it to the Department upon request, and (2) the auditor or audit organization does not meet the qualification standard.