STATE OF NEW MEXICO OFFICE OF THE STATE AUDITOR



AUDIT DOCUMENTATION REVIEW GUIDE Updated March 2017

To be used for working paper reviews of FY16 Audit Reports

Agency	Fiscal Year EndedAgency No
Auditor/Firm	Date Report Released
Type of workpapers (i.e. paper, ProFx Engagement, etc.)	

Purpose: The purpose of this audit documentation review guide is to determine if the audit documentation for this engagement meets the requirements of 2.2.2 NMAC and applicable auditing, accounting and financial reporting standards and related requirements. The purpose of this checklist is to ensure the scope of the audit documentation review is consistent and sufficient to form a conclusion on the quality of work performed. OSA reserves the right to look at anything related to the engagement, even if it is not specifically addressed in this guide.

Description: The first section of the checklist is organized by category of AU-C sections. The second section of the checklist is the Single Audit section. All questions in the checklist have been designed to show "yes" or "n/a" (not applicable) answers as favorable responses. All unfavorable responses, "no," must be fully explained. If a "no" answer is determined by the review to be a deficiency then it should be addressed in the letter to the IPA summarizing the deficiencies in the audit documentation. Unfavorable answers may identify issues that require further review but do not automatically mean that the auditor did not comply with the applicable auditing standard. The reviewer must exercise professional judgment when determining compliance with an auditing standard.

References:

All of the references listed below can be found in our in-house Checkpoint system;

-Francisco	except for the State Audit Rule 2016 and the NM One Source (or, www.conwaygreene.com).
AAG-SLV	AICPA Audit and Accounting Guide State and Local Governments (Updated as of March 1, 2016)
AAG-GAS	AICPA Audit Guide: Government Auditing Standards and Circular A-133 Audits (Updated as of April 1, 2016)
AC	Financial Accounting Standards Board (FASB), Current Text
G-05	Governmental Accounting, Auditing, and Financial Reporting (copy written 2012)
GAGAS	United States General Accounting Office, Government Auditing Standards, 2011 Revision (Yellow Book)
GASB	Codification of Governmental Accounting and Financial Reporting Standards (latest version)
OMB A-133	Office of Management Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations, Revised April 1, 2011

Uniform Guidance

Speed link

SAO Rule 2.2.2 NMAC, Requirements for Contracting and Conducting Audits of Agencies, March 15, 2016 (Unless another version is specified)

AU-C		AICPA Statements on Auditing Standards No. 122 (Clarification and Recthrough No. 131	odification)
ET		Code of Professional Conduct in AICPA Professional Standards	
		TABLE OF CONTENTS	
I. GENEF	RAL F	REVIEW	PAGE
II. GENE	RAL	PRINCIPLES AND RESPONSIBILITIES	
	(A)	Overall Objectives of the IPA and Audit in Accordance with GAAS	5
	(B)	Audit Documentation	6
	(C)	Consideration of Fraud	6
	(D)	Consideration of Laws and Regulations and	7
		Various Compliance Tests Required By The Audit Rule	7
	(E)	Auditor's Communication With Those Charged With Governance	9
	(F)	Communicating Internal Control Related Matters Identified in an Audit	10
III. RISK	ASSI	ESSMENT AND RESPONSE TO ASSESSED RISKS	
	(G)	Planning the Audit	11
	(H)	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement	12
	(I)	Planning Materiality for Performing the Audit	13
	(J)	Performing Audit Procedures in Response to Assessed Risks and Evaluation the Audit Evidence Obtained	14
	(K)	Audit Considerations Relating to an Entity Using a Service Organization	15
	(L)	Evaluation of Misstatements Identified During the Audit	15
IV. AUDI	T EV	IDENCE	
	(M)	AUDIT EVIDENCE – GENERAL	16
		Cash	
		Investments	
		Receivables and revenues-Governmental	
		Receivables and revenue-proprietary	
		Expenditures and accounts payable	
		Payroll	
		Inventories	
		Capital assets	
		Debt and debt service	
		Equity	
	(N)	Inquiry of a Client's Lawyer Concerning Litigation	30
	(O)	Opening Balances on the financial statements	31

31

31

(P)

(Q)

Analytical Procedures

Audit Sampling

(R)	Accounting Estimates	32			
(S)	Related Party Transactions	32			
(T)	Subsequent Events	33			
(U)	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern	33			
(V)	Written Representations	33			
(W)	Consideration of Omitted Procedures After the Report Release Date	36			
V. USING THI	E WORK OF OTHERS				
(X)	Audits of Group Financial Statements (Including the Work of Component Auditors)	36			
(Y)	The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements (AU-C 610)	38			
(Z)	Using the Work of an Auditor's Specialist (AU-C 620)	38			
VI. AUDIT CO	ONCLUSIONS AND REPORTING				
(AA) Consistency of Financial Statements	39			
(BB	Other Information in Documents Containing Audited Financial Statements	40			
(CC	Supplementary Information in Documents Containing Audited Financial Statements	40			
(DD	Required Supplementary Information	41			
(EE	Other Audit Conclusions and Reporting	41			
VII. OTHER-T	THAN-GAAP FRAMEWORK				
(FF	Special Considerations-Audits of Single Financial Statements and Special Elements, Accounts, or Items of a Financial Statement	41			
VIII. RESTRIC	CTING THE USE OF THE AUDITOR'S REPORT				
(GC	Restricting the Use of an Auditor's Report	42			
IX. OVERALI	CONCLUSIONS	42			
X. SINGLE AU	UDIT	44			
XI. REVIEW (XI. REVIEW COMPLETION CHECKLIST 52				

I. GENERAL REVIEW

- **(A)** Review the audit report for the agency being reviewed. Ensure that all of the findings are properly supported in the workpapers.
- **(B)** Review the most recent workpaper review deficiency letter for the IPA. Ensure all prior comments are resolved.
- **(C)** Determine whether there was an SID referral for the agency. If so, ensure the workpapers adequately support the IPA's response to the SID referral.

II. GENERAL PRINCIPLES AND RESPONSIBILITIES

(A) Overall Objectives of the IPA and Audit in Accordance with GAAS:

						Y	N	N A	W P
(1)	 Did all staff working on the engagement meet the CPE requirements of GAGAS Section 3.76? i. Obtain CPE certificates for each member of the audit team. Ask when the firm's 2 year reporting period began and ends. During the firm's 2 year reporting period: a. Ensure all the auditors have at least 24 hours of CPE that directly relates to government auditing, or the government environment. b. Ensure that the auditors who are involved in any amount of planning, directing, or reporting on the audit have an additional 56 hours of CPE that enhances the auditor's professional proficiency to perform audits (for a total of at least 80 hours). Auditors required to take the total 80 hours of CPE should complete at least 20 hours of CPE in 								
	required to take the total 80 hours of CPE should complete at least 20 hours of CPE in each year of the 2-year periods.								
		Auditor Name	Governmental CPE	Other Audit CPE	Total CPE for 2 year period				
	GAAS unless (a the engagement	t be independent of the entity v) GAAS provides otherwise or and report on the financial stat oplicable, the auditor is preclude	(b) the auditor is remember. When the	equired by law or r auditor is not inde	egulation to accept pendent and neither				
(2)	the application of	ndependence was noted, did the of safeguards, along with safeguards and related conclude the conclusion.	uards applied, in ac	cordance with the	conceptual				
(3)		nt personnel been appropriately ectivity requirements?	y advised of the nee	d to observe appli	cable independence,				
(4)	Were all fees for	any professional services prov	vided more than on	e year prior to the	date of report paid?				

	(5)	Inquire whether the auditor had any professional service contracts (PSCs) with the auditee. Review any such PSCs that exist. Did OSA give prior written approval for all the PSCs that the audit firm had with this audit client, as required by 2.2.2.8(L)(1) and (2) NMAC? If the auditor did not obtain prior written approval from the OSA, and the IPA performed the professional services for the agency audited, was there a related finding of noncompliance with Section 2.2.2.8(L) NMAC?		
	(6)	Did the auditor document consideration of audited agency management's ability to effectively oversee any nonaudit service to be provided by the auditor (including preparation of the financial statements), if such services were conducted? (GAGAS 3.20)		
	(7)	If applicable, did the auditor document the understanding with the audited entity regarding the following aspects of any nonaudit services to be performed: the objectives; the services to be performed; the audited entity's acceptance of its responsibilities; the auditor's responsibilities; and any limitations of the nonaudit service? (GAGAS 3.30)		
	(8)	Ensure audit contract and OSA approval letter are included in the workpapers. If the audit contract includes work in addition to the financial statement audit (e.g. single audit, etc.), ensure that work was completed.		
	(9)	Ensure the trial balance after adjustments ties to the issued financial statements.		
(B)) Au	dit Documentation:		
	(1)	Is the report release date included in the audit documentation? (AU-C 230.15)	Γ	
	(2)	Was the assembly of the audit documentation completed with 60 days of the report release date? (AU-C 230.16)		
	(3)	If the auditor found it necessary to modify existing audit documentation or add new audit documentation after the documentation completion date, did the auditor document: (a) the specific reasons for making the changes; and (b) when and by whom they were made and reviewed? (AU-C 230.18)		
	(4)	Does the auditor have reasonable procedures to maintain the confidentiality of client information? (AU-C 230.19)		
	(5)	Is the audit documentation assembled in one complete file or one complete set of files in one location, whether the documentation is hardcopy or electronic, as required by AU-C 230.16?		
	(6)	Is the auditor's record retention policy at least 5 years from report release date? (AU-C 230-17)		
(C) C	onsideration of Fraud:		
	(1)	Do the audit work papers document the significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's financial statements to material misstatement due to fraud, how and when the discussion occurred and the audit team members who participated? (AU-C 240.43(a))		
	(2)	Does the team discussion documentation show that the engagement partner participated in the discussion? (AU-C 240.15)		
	(3)	Do the work papers document the identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level? (AU-C 240.43(b))		
	(4)	Do the working papers show that the auditor tested journal entries and other adjustments? (AU-C $240.32(a)$ and AU-C $240.A47$)		

	(5)	If the auditor concluded that the presumption of risk of material misstatement due to fraud related to revenue recognition was overcome in this specific engagement, did the auditor document the reasons for that conclusion? (AU-C 240.46)		
	(6)	Did the auditor perform analytical procedures relating to revenue near the end of the audit? (AU-C 240.34)		
	(7)	Does the audit documentation include communications about fraud made to management, those charged with governance, regulators, and others? (AU-C 240.45) If the auditor obtained information that indicated that a fraud may exist, did the auditor communicate these matters on a timely basis to the appropriate level of management (AU-C 240.39) or those charged with governance if; management or employees with significant roles in internal controls are involved; or when the fraud results in a material misstatement in the financial statements? (AU-C 240.40)		
	(8)	Pursuant to Section 12-6-6 NMSA 1978 and Section 2.2.2.10(K)(2) NMAC (Criminal Violations), did the agency or IPA notify the State Auditor immediately, in writing, upon discovery of any violation of a criminal statute in connection with financial affairs of the agency? Did the notification include an estimate of the dollar amount involved, and a complete description of the violation, including names of persons involved and any action taken or planned?		
(D)	C	onsideration of Laws and Regulations:		
	(1)	Did the auditor obtain sufficient appropriate audit evidence regarding material amounts and disclosures in the financial statements that are determined by the provisions of those laws and regulations generally recognized to have a direct effect on the material amounts and disclosures? (AU-C 250.13)		
	(2)	Did the auditor perform the following procedures to identify instances of noncompliance with other laws and regulations that may have a material effect on the financial statements:		
		i. Inquiry of management and when appropriate, those charged with governance about whether the entity is in compliance with such laws and regulations;		
	i	 Inspecting correspondence, if any, with the relevant licensing or regulatory authorities? (AU-C 250.14) 		
	(3)	Did the auditor obtain the following written representation from management regarding the entity's compliance with laws and regulations? (AU-C 250.12(b)) The auditor should request management to provide written representations that all instances of identified or suspected noncompliance with laws and regulations whose effects should be considered by management when preparing financial statements have been disclosed to the auditor. (AU-C 580.13) Does the audit documentation include a description of identified or suspected noncompliance with laws and regulations and the results of discussion with management and, when applicable, those charged with governance and other parties inside or outside the entity? (AU-C 250.28)		
	Vai	rious Compliance Tests Required By The Audit Rule		
(1)	R	or audits of school districts, does audit documentation show the auditor tested for compliance with PED egulations 6.20.2 NMAC, Governing Budgeting and Accounting for New Mexico Public Schools and School istricts and the Manual of Procedures, primarily Supplement 7, Cash Controls? (2.2.2.12(C)(4)(a) NMAC)		
(2)	So bo by th	or Colleges and Universities: did the auditor compare the financial statement budget comparison to the related eptember 15 th budget submission to Higher Education Department? The only differences that should exist etween the HED budget submission and the financial statement budget comparisons are (1) adjustments made by the institution after September 15 th and (2) audit adjustments. If the HED budget submission does not tie to be financial statement comparison, taking into account only those differences, then the auditor should write a lated finding. (Section 2.2.2.12(E)(2) NMAC)		

i.	Procurement Code (13-1-1 to 13-1-199 NMSA 1978)	
ii.	Per Diem and Mileage Act (Section 10-8-1 to 10-8-8 NMSA 1978) and Regulations Governing the Per Diem and Mileage Act 2.42.2 NMAC,	
iii.	Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978) including the requirements of Section 6-10-10(A) and (B) that county and municipal treasurers deposit money in their respective counties, and the requirement of Section 6-10-17 that the agency receive a joint safe keeping receipt for pledged collateral	
iv.	Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);	t
v.	Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);	t
vi.	Public Employees Retirement Act (10-11-1 to 10-11-141 NMSA 1978) Auditors should test to ensure that 100% of payroll is reported to PERA.	l
vii.	Educational Retirement Act (22-11-1 to 22-11-53 NMSA 1978)	t
viii.	Sale of Public Property/Agency Notification to State Auditor is required when capital assets are disposed of (13-6-1 to 13-6-8 NMSA 1978)	Ī
ix.	Sale/disposal of digital equipment that agency certified in writing the properly erased or destroyed. (13-6-1 NMSA 1978)	İ
х.	Anti-Donation Clause (NM Constitution Article IX, Section 14)	İ
xi.	Special, Deficiency, Specific, and Capital Outlay Appropriations - Did the auditor include a supplementary schedule in the notes to financial statements showing the following information: the original appropriation; the appropriation period; expenditures to date; outstanding encumbrances and unencumbered balances? This is a special requirement of the State Auditor. (Sections 2.2.2.10(P)(2)(a) and (b) NMAC)	
xii.	State Budgets (Sections 6-3-1 to 6-3-25 NMSA 1978), state agencies only	t
xiii.	Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Section 6-6-11 to 6-6-12 NMSA 1978; Montano v. Gabaldon, 108 NM 94, 766 P.2d 1328. 1989)	
xiv.	Accounting and Control of Fixed Assets of State Government (2.20.1.1 to 2.20.1.18 NMAC) Note that this GSD Rule has <u>not</u> been updated for GASB 34 as applicable.	
XV.	2.2.2 NMAC, Requirements for Contracting and Conducting Audits of Agencies	İ
xvi.	Article IX of the State Constitution limits on indebtedness	T
xvii.	For agencies receiving general fund appropriations, Laws of 2015 Regular Session, Section 3, Subsection J states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(1), NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2015 may be expended for payment of agency-issued credit card invoices";	
xviii.	Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978) auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15, NMSA 1978. As of June 30, 2012, the contribution rates did increase; see the applicable statute for more information.	
xix.	Governmental Conduct Act (Sections10-16-1 to 10-16-18, NMSA 1978).	ļ

(4)	"(to the agency's audit contract, the auditor shall perform additional audit procedures indicated in the sion section" of the audit contract. For example, the testwork on earmarked funds for the school			
(5)			ceived a referral letter related to the entity, did the auditor perform sufficient audit procedures related referral. (Section 2.2.2.8.L(4))			
(6)	pı	ogress in i	had repeat findings did auditor document how they reviewed and determined the management's implementing the corrective action plan or their lack of progress towards implementing the corrective (Sections 2.2.2.10.I(ii).			
(E)	A	uditor's	Communication With Those Charged With Governance:			
			n requirements of AU-C 260 do not apply to communications with management unless they are a governance role. (AU-C 260.01)	Y	N	W P
((1)	to the final opinion all of those c financial is those characteristics.	aditor communicate with those charged with governance the auditor's responsibilities with regard ancial statement audit, including that: the auditor is responsible for forming and expressing an about whether the financial statements that have been prepared by management, with the oversight harged with governance, are prepared, in all material respects, in accordance with the applicable reporting framework; and the audit of the financial statements does not relieve management or reged with governance of their responsibilities? (AU-C 260.10) (Is the engagement letter to the governing body as well as management, and does it include this language?)			
((2)	timing of	aditor communicate with those charged with governance an overview of the planned scope and the audit? (AU-C 260.11) (Is the engagement letter addressed to the governing body as well as ent, and does it include this language?)			
((3)	Did the au	aditor communicate with those charged with governance:			
		i.	the auditor's views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures; when applicable, did the auditor (i) explain to those charged with governance why the auditor considers a significant accounting practice that is acceptable under the applicable financial reporting framework not to be most appropriate to the particular circumstances of the entity and (ii) determine that those charged with governance are informed about the process used by management in formulating particularly sensitive accounting estimates, including fair value estimates, and about the basis for the auditor's conclusions regarding the reasonableness of those estimates;			
		ii.	significant difficulties, if any, encountered during the audit;			
		iii.	disagreements with management, if any; and			
		iv.	other findings or issues, if any, arising from the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process? (AU-C 260.12)			
((4)	Did the a	uditor communicate with those charged with governance:			
		i.	uncorrected misstatements accumulated by the auditor and the effect that they, individually or in the aggregate, may have on the opinion in the auditor's report; does the auditor's communication identify material uncorrected misstatements individually; did the auditor request that uncorrected misstatements be corrected; and			
		ii.	the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole? (AU-C 260.13)			
((5)	If not all o	of those charged with governance are involved in management, did the auditor also communicate:			
		i.	material, corrected misstatements that were brought to the attention of management as a result of audit procedures;			

		ii.	significant findings or issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management;				
		iii.	the auditor's views about significant matters that were the subject of management's consultations with other accountants on accounting or auditing matters when the auditor is aware that such consultation has occurred; and				
		iv.	written representations the auditor is requesting? (AU-C 260.14)				
	(6)	When communications required by AU-C 260 have been communicated orally, did the auditor include them in the audit documentation, including when and to whom they were communicated? When such matters were communicated in writing, did the auditor retain a copy of the communication as part of the audit documentation? (AU-C 260.20)					
	(7)	If the auditor communicated these matters in writing, did the communication include the statement that it was intended solely for the information and use of those charged with governance, and if appropriate management, and was not intended to be, and should not be, used by anyone other than these specified parties? (AU-C 260.17)					
	(8) Did the auditor hold an exit conference with representatives of the agency's governing authority and top management including representatives of any component units (housing authorities, charter schools, hospitals, foundations, etc.) if applicable as required by Section 2.2.2.10(J)(1) NMAC?						
	(9)		PA present the audit report to a quorum of the governing authority of the agency as required by .2.2.10(J)(3) NMAC?				
			1				
(F) Co	ommuni	cating Internal Control Related Matters Identified in an Audit:	Y	N	N	W
						Α	P
	(1)	deficienc	litor identified one or more deficiencies in internal control, did the auditor evaluate each y to determine, on the basis of the audit work performed, whether, individually or in combination, tituted significant deficiencies or material weaknesses? (AU-C 265.09)			A	P
		deficience they const	y to determine, on the basis of the audit work performed, whether, individually or in combination,			A	P
		deficience they const	y to determine, on the basis of the audit work performed, whether, individually or in combination, tituted significant deficiencies or material weaknesses? (AU-C 265.09) uditor include the following information in the written communication of significant deficiencies			A	P
		deficienc they cons Did the a and mate	y to determine, on the basis of the audit work performed, whether, individually or in combination, tituted significant deficiencies or material weaknesses? (AU-C 265.09) uditor include the following information in the written communication of significant deficiencies rial weaknesses, pursuant to AU-C 265.14: the definition of the term material weakness and, when relevant, the definition of the term			A	P
		deficienc they cons Did the a and mate i.	y to determine, on the basis of the audit work performed, whether, individually or in combination, tituted significant deficiencies or material weaknesses? (AU-C 265.09) uditor include the following information in the written communication of significant deficiencies rial weaknesses, pursuant to AU-C 265.14: the definition of the term material weakness and, when relevant, the definition of the term significant deficiency; a description of the significant deficiencies and material weaknesses and an explanation of their			A	P
		deficienc they cons Did the a and mate i. ii.	y to determine, on the basis of the audit work performed, whether, individually or in combination, tituted significant deficiencies or material weaknesses? (AU-C 265.09) uditor include the following information in the written communication of significant deficiencies rial weaknesses, pursuant to AU-C 265.14: the definition of the term material weakness and, when relevant, the definition of the term significant deficiency; a description of the significant deficiencies and material weaknesses and an explanation of their potential effects; sufficient information to enable those charged with governance and management to understand the context of the communication; in particular, the auditor should include in the communication the following elements that explain that (i) the purpose of the audit was for the auditor to express an opinion on the financial statements; (ii) the audit included consideration of internal control over financial reporting in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control; (iii) the auditor is not expressing an opinion on the effectiveness of internal control; (iv) the auditor's consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore,			A	P

(4)	Does the audit documentation show that the auditor communicated to management at an appropriate level of responsibility, on a timely basis, in writing, significant deficiencies and material weaknesses that the auditor had communicated or intended to communicate to those charged with governance, unless it would be inappropriate to communicate directly to management in the circumstances? (AU-C 265.12)		
(5)	Does the audit documentation show that when the auditor detected any deficiencies in internal controls or immaterial violations of provisions of contracts or grant agreement or abuse, that did not rise to the level of a significant deficiency, but were required to be reported by Section 12-6-5 NMSA 1978, the auditor included those instances in a written finding and included the finding(s) in the "Compliance and Other Matters" section of the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> ? (Section 2.2.2.10(R)(2) NMAC)		

III. RISK ASSESSMENT AND RESPONSE TO ASSESSED RISKS

G) Plar	ning tl	he Audit:	37		N	
(1)	team we	working papers document the engagement partner and other key members of the engagement ere involved in planning the audit, including planning and participating in the discussion among ment team members (AU-C 300.05)?	Y	N	A	P
(2)	Continu	working papers include the equivalent of an "Engagement Acceptance Form" or an "Engagement ance Form" for a continuing client where the auditor documented the following in accordance J-C 300.06?				
	i. 	The performance of procedures regarding the acceptance of the client relationship and the specific audit engagement;				
	ii. 	Evaluation of engagement team compliance with relevant ethical requirements (independence) in accordance with AU-C Section 200; and			\dashv	
	iii.	Establishing an understanding of the terms of the engagement as required by AU-C Section 210.				
	applicabl	auditor document the overall audit strategy as required by AU-C 300.0514 and address the le issues described below? The overall audit strategy can be as simple as a brief memorandum ne overall audit strategy. Did the auditor:				
	i.	Determine the overall audit strategy that defines its scope, timing and direction of audit. (AUC 300.07)				
	ii.	Ascertain the reporting objectives of the engagement;				
	iii.	Consider important factors that, in the auditor's professional judgment, were significant in directing the audit team's efforts: a. Materiality levels for the financial statements as a whole; b. Identification of areas where there may be higher risks of material misstatement; c. Identification of material locations and account balances;				
		 d. Whether the auditor plans to obtain evidence regarding the operating effectiveness of internal control; e. Identification of recent significant entity-specific, industry, financial reporting, or 				
		other relevant developments; and f. Results of preliminary engagement activities and, when applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant.				
	iv.	Ascertain the nature, timing and extent of resources necessary to perform the engagement. AUC 300.08				
(4)		dance with AU-C 300.09 and 300.14, did the auditor document the audit plan and did the audit lude a description of:				

	i.	The nature and extent of planning risk assessment procedures (as determined under section AU-C 315);					
	ii.	The nature, timing and extent of planned further audit procedures at the relevant assertion level (as determined under section AU-C 320.A1);	_				
	iii.	Other planned audit procedures that were required to be carried out so that the engagement complied with GAAP.					
(5)		able, did the auditor document any significant changes to the overall audit strategy and audit ng the course of the audit and the reasons for such changes? (AU-C 300.10 and 300.14)					
(6)		dit documentation show that the auditor followed-up on known material findings and endations from previous audits or engagements as required by Section 2.2.2.10(I)(2)(c) NMAC?					
	i.	Did the follow-up include reporting any special audit findings (that could be released) in the findings of the annual financial and compliance audit as required by Section 2.2.2.10(I)(2) NMAC?					
(7)	since the accounting and relationships.	nuditor determine the number and nature of component units making up the reporting entity, y will affect the scope of the audit? Note: the auditee may not be knowledgeable about the ng considerations involved but should be able to provide enough information about the activities tonships with potential component units for the auditor to apply the criteria. (GASB 14, 39 and Example Form, <u>ALG-CX-1.1.2: Evaluating Potential Component Units Inclusion in Reporting</u>					
(8)	Did the a i. ii. iii.	uditor document their consideration of the following while planning the audit: (AU-C 300.A2) Implementation of new auditing standards. Consider whether specialized skills are needed in performing the audit. Identification of high risk areas.					
(9)	Do the v	working papers document the following auditor responses to the assessed risks of material nent:					
	i.	The overall responses to the assessed risks of material misstatement due to fraud at the financial statement level and the nature, timing, and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level; and					
	ii.	The results of audit procedures, including those designed to address the risk of management override of controls? (AU-C 240.44)					
Una	lerstand	ling the Entity and Its Environment and Assessing the Risks of Material	Ī				
	stateme	•				N	w
(1)	require	work papers show that the auditor obtained an understanding of the entity and its environment as d by AU-C 315? <i>PPC form ALG-CX-3.1, Understanding the Entity and Identifying Risks</i> is an e of this documentation.	F	Y	N	A	P
	i.	Did the auditor obtain knowledge of how the entity communicates financial reporting and responsibilities and significant matters related to financial reporting from those charged with governance concerning the entity's internal control system and its importance in achieving reliable financial reporting? (AU-C 315.20)					
(2)	stateme	auditor document the audit team's discussion of the susceptibility of the entity's financial nts to material misstatements (AU-C 315.11) and the potential for material misstatement due to (AU 315.09) The PPC example of this documentation is <u>ALG-CX-3.2</u> , <u>Engagement Team</u> ion.		1			ı
	<u>Discuss</u> i.	Did the auditor document the significant decisions reached, how and when the discussions occurred and the audit team members who participated? (AU-C 315.33(a))					

(H)

(3)		uditor document the key elements of the understanding obtained regarding each of the aspects ity and its environment?		
	i.	Did the documentation include each of the internal control components, the sources of information from which the understanding was obtained and the risk assessment procedures performed? (AU-C 315.33(b))		
(4)	and asses	auditor perform risk assessment procedures to provide a basis for and document the identified seed risks of material misstatement at the financial statement level and the relevant assertion U-C 315.05, 26)		
	i.	Did the auditor document inquiries of management and observations and inspection procedures used to gain the understanding of the entity and its environment, including internal control? (AU-C 315.06)		
	ii.	Did the auditor consider how the following five components of internal controls were incorporated into the entity's processes: (1) control environment, (2) entity's risk assessment, (3) information and communication systems, (4) control activities, and (5) monitoring? (AUC 315.1525) One PPC Example form for documenting this understanding is <u>ALG-CX-4.1</u> , <u>Understanding the Design and Implementation of Internal Control</u> .		
	iii.	Did the auditor obtain knowledge of the information system (IT), including the related business processes relevant to financial reporting, including the following areas: (AU-C 315.19) PPC forms that are an example of this type of documentation are: <u>ALG-CX-4.2.2 Financial Reporting System Documentation Form IT Environment and General Computer Controls</u> and <u>ALG-CX-5.5, Control Activities Form for General Computer Controls</u> . (a) the classes of transactions in the entity's operations that were significant to the financial statements, (b) an understanding of the procedures within both IT and manual systems by which those transactions were initiated, authorized, recorded, processed, corrected as necessary, transferred to the general ledger, and reported in the financial statements, (c) the related accounting records supporting information and specific accounts in the financial statements that were used to initiate, authorize, record, process, and report transactions (this includes the correction of incorrect information and how information is transferred to the general ledger - the records may be in either manual or electronic form), (d) how the information system captured events and conditions, other than transactions, that were significant to the financial statements, (e) the financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures (f) Controls surrounding journal entries, including nonstandard journal entries used to record nonrecurring, unusual transactions, or adjustments? Did the auditor document the analytical procedures used in planning the nature, timing, and extent of auditing procedures? (AU-C 315.06)		
(5)	an unders	uditor document the risks identified and related controls about which the auditor has obtained standing of the following: Did the auditor determine whether any risks identified were significant risks? (ALL C 315, 26)		
	i. ii.	Did the auditor determine whether any risks identified were significant risks? (AU-C 31526 & 28) If significant risks were identified, did the auditor perform procedures to evaluate whether	$\frac{1}{1}$	
Plan	J	controls were suitably designed and implemented to mitigate such risks? (AU-C 315.30) teriality in Performing the Audit: d the auditor document determination of materiality for the financial statements taken as a whole?	Y	N W A P
	(A ex	U-C 320.10) The PPC Form <u>ALG-CX-2.1, Materiality Worksheet for Planning Purposes</u> is an ample of the required documentation.		
	i.	If the auditor determined one or more particular classes of transactions, account balances, or disclosures existed for which misstatements of lesser amounts than materiality for the financial statements as a whole, did the auditor document the materiality level or levels (ALLC 320.10)?		

(I)

	(2)	Did the auditor document the determination of materiality at the individual fund level as required by the Audit Rule? (2.2.2.10(A)(2)(a) NMAC) (The exception is audits of colleges and universities. The materiality for these engagements is described at 2.2.2.12(E)(3) NMAC.)				
	(3)	If applicable, did the auditor document revisions of materiality for the financial statements as a whole, materiality level or levels for particular classes of transactions, account balances, fund level, or disclosures? Did the auditor document any revision to materiality as the audit progressed? (AU-C 320.14)				
	it Pro ained:	cedures in Response to Assessed Risks and Evaluation of the Audit Evidence			N	W
1	evel? procedu	udit procedures responsive to the assessed risks of material misstatement at the financial statement (There should be a clear linkage between the nature, timing, and extent of the auditor's further audit area and the risk assessments.) (AU-C 330.05) The PPC example forms for this documentation is ALG-Entity Risk Factors and ALG-CX-7.1, Risk Assessment Summary form.	Y	N		P
(There s	adit procedures responsive to the assessed risks of material misstatement at the relevant assertion level? should be a clear linkage between the nature, timing, and extent of the auditor's further audit procedures risk assessments.) (AU 330.0624)			1	
		 Section 2.2.2.10(P) NMAC requires the auditor to test internal controls a. Did the auditor document the determination of which key internal controls were suitably designed? PPC forms that are an example of this type of documentation are <u>ALG-CX-4.1</u> and <u>ALG-CX-5.1</u> through ALG-CX-5.6. b. Did the auditor document tests of internal controls including designing and performing tests of controls to obtain sufficient audit evidence about the operating effectiveness of relevant controls? (AU-C 330.0811) c. Did the auditor evaluate the operating effectiveness of controls including specific inquiries the understand deviations and their potential consequences? (AU-C 330.17) d. If the auditor found instances where management's internal control was well designed, but did not work properly when tested, did the auditor write a related finding? (Section 2.2.2.10(I)(1) NMAC). If the auditor used information about the entity and its environment that was obtained in a prior period, did the auditor consider and determine whether changes occurred that affected the relevance of that information in the current audit? Did the auditor make the inquiries and perform other appropriate audit procedures such as walkthroughs of systems? (AU 330.1314) 				
	iii. a. b.	Did the auditor design and perform substantive procedures for all relevant assertions related to each material class of transactions, account balance and disclosure? (AU-C 330.18)				
	iv.	level is a significant risk, did the auditor perform substantive procedures that were specifically responsive to that risk? (AU-C 330.22) If substantive procedures were performed at an interim date, the auditor should cover the remaining period by performing (a) substantive procedures, combined with tests of controls for the intervening period or if the auditor determines that it is sufficient, further substantive procedures only. (AUC 330.23)				
i	otherwi . D m	auditor document the results of audit procedures, including conclusions (if the conclusions were not se clear)? (AU-C 330.30) id the auditor evaluate based on the audit procedures performed whether the assessments of risk of aterial misstatement at the relevant assertion level remained appropriate? (AU-C 330.27)		I		
ii ii	. If	id the auditor conclude whether sufficient appropriate audit evidence was obtained? (AU-C 330.28) the auditor did not obtain sufficient audit evidence, did the auditor express a modified opinion on the nancial statements? (AU-C 330.29)		+		

(J)

K)	Audit Considerations Relating to an Entity Using a Service Organization:		Y		N A	W P
	 (1) During the planning of the audit, did the auditor determine whether the auditee used a service organization to process certain transactions as required by standards? See AU-C 402 for additional information on making the determination regarding whether an agency is using a service organization. i. If the auditee is a housing authority that uses a fee accountant, did the auditor perform this evaluation. 	e				_
	(2) If the auditor determined a service organization was used where services provided were relevant to the audit of a user entity's financial statements and those services and the controls over them affect the user entity's information system, including related business processes, relevant to financial reporting (AU-C 402.03):					
	 i. Did the auditor obtain an understanding of how the entity utilized the service organization in their operations? (AU-C 402.09) Obtaining and reading a type 1 or type 2 report is considered obtaining an understanding. See AU-C 402.1214 for specific requirements. (3) Did the auditor inquire of management whether the service organization had reported or is aware of any fraud noncompliance with laws and regulations, or uncorrected misstatements affecting the financial statements of the auditee and evaluate how such matters, if any, affected the nature, timing and extent of further audit procedures? (AU-C 402.19) 	g l, f				
	 (4) Reporting by the auditor: If the auditor was unable to obtain sufficient appropriate audit evidence regarding the use of the service organization, was the auditor's opinion modified? (AU-C 402.20) If an unmodified opinion was given, the auditor should not reference the work of the service auditor Did the auditor refrain from referencing the service auditor? (AU-C 402.21) If reference to the work of a service auditor was relevant to an understanding of a modification of the auditor's opinion, did the auditor's report indicate that such reference did not diminish the auditor' responsibility for that opinion? (AU-C 402.22) 	:. e				
L)	Evaluation of Misstatements Identified During the Audit:				N	
	(1) Did the auditor document the amount below which misstatements would be regarded as clearly trivial? (AU-C 450.12(a))		Y	N .	A	P
	(2) Did the auditor document all misstatements identified during the audit, other than those that were clearly trivial and document whether they had been corrected? (AU-C 450.05, 450.12 (b))	1				_
	(3) If the aggregate of misstatements accumulated during the audit approached materiality or the nature and circumstances of identified misstatements indicated that other misstatements may have existed that could have been material in aggregate, did the auditor determine whether the overall audit strategy and audit plan should be revised? (AU-C 450.06)	e				
	(4) Did the auditor communicate all misstatements accumulated during the audit on a timely basis with the appropriate level of management? (AU-C 450.07)	е				
	i. If management refused to correct some or all of the misstatements communicated by the auditor, did the auditor obtain an understanding of management's reasons for not making the corrections and take tha understanding into account when evaluating whether the financial statements as a whole were free from material misstatement? (AU-C 450.09)	ıt				
	(5) Did the auditor document a determination of whether uncorrected misstatements were material, either individually or in the aggregate, and document the basis for the conclusion? (AU-C 450.11)	r				

IV. AUDIT EVIDENCE

N N (M) Audit Evidence -General A (1) As required by AU-C 500.06 did the auditor design and perform audit procedures that are appropriate in the circumstance for the purpose of obtaining sufficient appropriate audit evidence? This question should be completed after the rest of the questions in the audit evidence section. (2) Before the audit report was issued, did the auditor document evidence of supervisory review of the evidence that supports the findings, conclusions, and recommendations contained in the auditor's report? (GAGAS 4.15(a)) (3) Is there documentation in the audit workpapers that supports the implementation of GASB 72 – Fair Value Measurement and Application? If the agency did not implement GASB 72, did the auditor document consideration of the impact of this omission on the financial statements and modify the opinion and/or write a finding, as appropriate? (4) The following should be included in the workpapers regarding the auditor's testing of budgets: (For state agency budget requirements see 6-3-1 to 6-3-25 NMSA 1978. For local government budget requirements see 6-6-1 through 6-6-19 NMSA 1978. For school district budget requirements see 22-8-6 and 22-8-6.1 NMSA 1978) a. Do the workpapers indicate the auditor obtained an understanding of the audited entity's budget process? Examples would include some of the following: (NOTE not all items will be present) i. A budget memo documenting the budget process for the specific entity; ii. Copies of statutes related to specific funds; iii. A budget audit program that indicates a copy of the approved budget provided by the client is reviewed; iv. A flowchart describing the budget process, source of funding, etc. Do the workpapers contain a copy of the complete approved budget for the agency? (NOTE this should be more than the summarized recap page. There will be additional documentation/detail.) Budget approval authority is below: i. State Agencies – DFA State Budget Division; ii. Local Public Bodies – DFA Local Government Division; iii. School Districts – Public Education Division: iv. Institutes of Higher Education – Higher Education Department; v. Any other entities – the legal authority over the budget. c. Do the workpapers indicate the auditor reviewed the budget for the accuracy of beginning cash balances? i. If beginning cash presented on the approved budget is not accurate, is there a finding? Do the workpapers indicate the auditor tied the accounting systems budget amounts to the approved budget? (local public bodies and school districts with their own accounting systems have a potential for error because they are separate from the oversight agencies) Do all budget adjustments to revenues, expenditures, and cash transfers between funds have the appropriate oversight entity approval as listed below? i. State Agencies - DFA State Budget Division; ii. Local Public Bodies – DFA Local Government Division; iii. School Districts – Public Education Division: iv. Institutes of Higher Education – Higher Education Department; v. Any other entities – the legal authority over the budget. f. Do the workpapers indicate the auditor reviewed expenditures to determine if any expenditures exceeded the approved expenditure budget? If expenditures exceeded the approved expenditure budget, is there a finding?

AUDIT EVIDENCE -CASH

	Not a key area.		/ N	N A	_
(1)	Do cash workpapers tie to the trial balance?	H	1 1	ΙΛ.	+
	Were cash account balances tied to the financial institution statement amounts <u>or</u> confirmed; and were reconciling items cleared by reference to subsequent statements obtained directly from the bank (or obtained from the client and tested appropriately)? (Assertions Existence or Occurrence, (E/O), and Rights or				
	Obligations, (R/O))				
	i. For State Agencies only: Did the IPA confirm cash with the State Treasurer as required by Section 2.2.2.10(M)(3)(f) NMAC				
	ii. If confirmations were sent to financial institutions did the confirmations inquire regarding compensating balances? (Assertion E/O, R/O, Accuracy or Classification (A/CL)				
	iii. Did the auditor tie the confirmation amounts to bank reconciliations or the general ledger as appropriate and did they investigate significant exceptions. (Assertion E/O, R/O, A/CL)				
(3)	For State Agencies Only: Related to the Cash Directive that OSA sent out to the IPA's. Did the auditor at a minimum review the following:		•		
	 Test whether the agency performed the procedures related to cash reconciliations and review communications with DFA Cash Control Bureau to evaluate whether internal control deficiencies exist; and 				
	ii. Determine what the risk is of misstatement in the specific agency's cash accounts; and				
	iii. Identify whether there is evidence that the agency's cash balances have been misstated. If necessary the auditor should include a finding regarding agency cash and/or qualify the opinion on the agency's cash.				
(4)	Did the auditor document his or her review of cash receipts and disbursements for unusual cash transactions shortly before and shortly after the balance sheet date, and document the related explanations regarding significant or unusual transactions noted by the auditor? (Assertions E/O, C, CO)	- 1			
(5)	Do the working papers document the auditor's review of the agency's bank reconciliations for timeliness and accuracy? (Assurtions are Existence/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O) Valuation or Allocation (V), Accuracy or Classification (A/CL), and Cutoff (CO).)) For State Agencies Only Did the auditor check to see if the state agency completed DFA's Month-End Close Checklist (available a http://nmdfa.state.nm.us/Manuals.aspx) in a timely manner or prepared some other similar SHARE reconciliation in a timely manner?				
(6)	Do the work papers document the auditor's search for restrictions on cash in any of the following: the confirmations; the minutes of the governing body; inquiries of government officials? (Assertions R/O, A/CL				
(7)	Do the work papers document the auditor's review of each financial institution's pledged collateral and determination regarding compliance with the legal requirements? (Assertions R/O) For State Agencies Only Do the workpapers indicate that the notes to the financial statements refer the reader to the separately issued financial statements of the State Treasurer? In the event pledged collateral information specific to the agency is not available, see Section 2.2.2.10(M)(4) NMAC for the required note disclosure.				
(8)	Do the work papers document the auditor's review of whether the pledged collateral was held by: (a) the pledging financial institution; or (2) the pledging financial institution's trust department or agent but not in the depositor-government's name? (Assertions C, A/CL, R/O)				
(9)	Do the work papers document the auditor's review of debt issuance documents for compliance requirements that could have a material effect on cash? (Assertions A/CL)				
(10)	If the auditor's risk assessment for any assertion related to cash was documented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the auditor perform additional audit procedures to address the "high risk" determination for that assertion?				
(11)	Does the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's assessed risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form <u>ALG-CX-7.1, Risk Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC audit programs show in the left-hand column what assertions each audit procedure address.)	.			
(12)	Based on the auditor's risk assessment summary in the area of cash at the assertion level, do the substantive tests of cash appear to be adequate at the relevant assertion level for the risk assessment that the auditor gave				

each assertion? (The assertions are Existence/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O), Valuation or Allocation (V), Accuracy or Classification (A/CL), and Cutoff (CO).) Note that if the IPA uses PPC, this risk assessment for cash at the assertion level will appear on form <u>ALG-CX-7.1, Risk Assessment Summary Form</u> .			
AUDIT EVIDENCE – INVESTMENTS			
		N	
Not a key area.	YN	A	P
 (1) Do Investment workpapers tie to the trial balance? (2) Does the audit documentation show that the auditor tied the current year beginning investment balances to the prior year ending investment balances (Assertions C,V, A/CL, CO) 		+	
(3) Does the audit documentation show that the auditor compared the asset balances and related income for the current year to the asset balances and related income for the prior year (or other expectations) and investigated any unexpected variances? (Assertions E/O, C,V, A/CL, CO)			
(4) Does the audit documentation show that the auditor performed <u>any</u> of the following additional analysis on the investments owned by the agency, or on investment activity during the year? (Assertions E/O, C,V, A/CL, CO)			
i. Did the auditor review the agency's reconciliations of the investment control detail to the general ledger account balances (if applicable)?			
ii. Did the auditor scan the investment activity for the year and investigate any unexpected transactions?			
(5) Regarding securities, did the auditor inspect the securities the agency held and confirm the securities held by others? (Assertions E/O, R/O) (AU-C 501.A3)			-
i. Does the audit documentation indicate whether the securities were held by the counterparty or the trust department or agent of the counterparty? (The counterparty is the party that pledges collateral or repurchase agreement securities to the government or that sells investments to or buys them for the government.) Does the audit documentation indicate whether the securities are registered in the name of the governmental agency?			
ii. Did the auditor trace the securities inspected and confirmed to the agency's accounting records on investments? (Assertions C,A/CL)			
(6) If the government internally pools its investment accounts did the auditor perform any audit procedures (including the review of related agreements) to test the allocations of the internal investment balances, interest income and related expenses, gains, or losses to the pool participants? (Assertions R/O,V,A/CL)			
(7) Do the work papers show that the auditor considered material market declines, on or near the completion of fieldwork (indicated by dispositions at a loss) since the balance sheet date? (Assertions V, A/CL)			
(8) Does the audit documentation show that the auditor considered the reported value and fair value of securities? (Assertions V, A/CL)			
(9) If the auditor discovered that the agency's investments included repurchase agreements, reverse repurchase agreements, or derivative instruments, did the auditor appropriately increase the audit procedures to address the increased risk that these investments present? (One indication that an agency has derivatives is when the agency has converted interest-bearing debt from fixed to variable or variable to fixed using derivatives) (Assertions E/O, C, R/O) If applicable, see PPC Audit Program ALG-AP-6A, Other Audit Procedures for Investments, for examples of appropriate extended procedures.			
(10) Did the auditor ensure that investment disclosures required by GASB 40 (as amended) were presented correctly in the notes to the financial statements? (See GASB 40 ¶ 9, ¶ 11, ¶ 14, and ¶17 as amended by GASBS 53 ¶ 73, GASBS 63 ¶ 8) The reviewer should look at the disclosure in the financial statements to confirm whether it is correct. (Assertions C, A/CL)			
(11) If the auditor's risk assessment for any assertion related to investments was documented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the auditor perform additional audit procedures to address the "high risk" determination for that assertion? (AU-C 330. A12 & A58)			
(12) Does the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's assessed risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form <u>ALG-CX-7.1, Risk Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC			

audit programs show in the left-hand column what assertions each audit procedure address.)

	substantive the auditor Obligation that if the Risk Asse	the auditor's risk assessment summary in the area of investments at the assertion level, do the ve tests of investments appear to be adequate at the relevant assertion level for the risk assessment that or gave each assertion? (The assertions are Existence/Occurrence (E/O), Completeness (C), Rights or ns (R/O), Valuation or Allocation (V), Accuracy or Classification (A/CL), and Cutoff (CO).) Note IPA uses PPC, this risk assessment for cash at the assertion level will appear on form ALG-CX-7.1, assement Summary Form.				
AUD FUN		ICE – REVENUE, RECEIVABLES, AND RECEIPTS – GOVERNMENTAL				
	Na4 a la		\ \	N		W
		tey area. evenue, Receivables, and Receipts workpapers tie to the trial balance?	Y	N	A	P
	(2) Does the recognition accordance Transaction revenue the	audit documentation indicate that the auditor obtained an understanding of the agency's revenue on policies for the agency's major revenue sources and determined whether the policies are in the with generally accepted accounting principles (GAAP)? (See GASB 33 for Nonexchange ons GAAP as amended. Also remember that on the modified accrual basis (fund financial statements); that is not received within the period of availability is deferred.) (Assertions C, A/CL, CO)				
	` /	audit documentation show that the auditor reviewed laws, regulations, grant agreements, and other				
	determina	locuments for compliance requirements that could have a direct and material effect on the ation of financial statement amounts? (Assertions R/O)				
	resources	uditor perform the following procedures for deferred outflows of resources and deferred inflows of : (Assertions E/O, C, A/CL, V, CO)				
	8	Identify the nature and sources of deferred outflows of resources and deferred inflows of resources and consider whether the basis is reasonable.				
		Compare recorded deferred outflows of resources and deferred inflows of resources to the prior period or to other expectations.				
		Investigate any unexpected results, considering known changes in the government's activities, economic conditions, or GAAP requirements.				
		ncy had property tax revenues did the auditor perform <u>one or more</u> of the following audit procedures? ns E/O, C)				
		Compare recorded revenue to the current budget and investigate unexpected results.				
		Compare recorded revenue to prior period actual and investigate unexpected results			\perp	
	auditor: (the prior investigat	ency directly collects significant property tax revenues does the audit documentation show that the (a) obtained the total assessed valuation of the tax roll and inspected a reconciliation of the tax roll to period's assessed valuation; (b) obtained a copy of the ordinance establishing the tax rates; (c) ted any unusual items or changes considering known economic changes; and (d) performed the gaudit procedures? (Assertions E/O, C, R/O,V)				
	8	Did the auditor compute the expected tax levy amount, decreased by the estimated collection rate, and compare the expected amount to the recorded property tax revenue and investigate any large fluctuations? (Assertions E/O, C, R/O, V)				
		Does the audit documentation show that the auditor considered whether the tax rates were in compliance with state imposed limitations, if any? (Assertions R/O)				
	I a	Does the audit documentation show that the auditor obtained an understanding of the agency's process for estimating the allowance for uncollectible accounts and considered the adequacy of the allowance? (Assertions R/O, V)				
	1 I	Does the audit documentation show that the auditor considered whether the government has filed liens or taken other legally required steps to ensure the collectability of the revenues? (Assertions R/O, V)				
	property the tax co	ency has property tax revenue that is collected by another government, did the auditor confirm the tax amounts collected, remitted, and still to be remitted with the other governmental unit that acts as ollector, and determine whether revenues were properly recorded for the amounts collected by the ernment? (Assertions C, R/O, V, CO)				
	_	ency had sales tax, franchise tax and similar revenues does the audit documentation show that the				

i.

auditor performed one or more of the following audit procedures? (Assertions E/O,C, R/O, V,A/CL,CO) Compare recorded revenue to the current budget and investigate unexpected results.

	ii.	Compare recorded revenue to prior period actual and investigate unexpected results.			
	iii.	Determine whether tax rates are in compliance with legal and regulatory requirements.			
(9)		gency had license, fees, and permit revenues does the audit documentation show that the auditor ed <u>one or more</u> of the following audit procedures? (Assertions E/O, C, R/O, V, CO)			
	i.	Compare recorded revenue to the current budget and investigate unexpected results.			
	ii.	Compare recorded revenue to prior period actual and investigate unexpected results.			
(10)		gency had license, fees, and permit revenues does the audit documentation show that the auditor ed <u>one or more</u> of the following audit procedures? (Assertions E/O, C, R/O, V)			
	i.	Obtain copies of the ordinances authorizing the rates for licenses, fees and permits and compare the authorized rates to the rates being charged.			
	ii.	Compute the units issued times the authorized rates and compare the results to the recorded revenues.			
	iii.	Select a sample of potential holders of licenses or permits or those required to pay fees (from applications or other sources) and trace to collections?			
(11)		gency had significant other revenues, do the work papers show that the auditor identified the nature and	1		
		of anticipated revenues by reviewing agreements or rate schedules, and compared the recorded revenue	1		
	with the R/O, V,	current budget and prior-period actual, and investigated any unexpected results? (Assertions E/O, C, CO)			
(12)	If the a	gency had other receivables do the work papers show that the auditor performed <u>at least one</u> of the ng analytical procedures? (Assertions E/O, C, V, A/CL, CO)			
	i.	Examined the authorization for transfers;			
	ii.	Compute the ratio of receivable balance to related revenue for the current and prior years and			
		investigate unexpected results;			
	iii.	Compute the number of day's revenue in receivables (receivable divided by average net revenue per day) and compare with the ratio for prior years; or,			
	iv.	Compute other ratios unique to the government, and investigate unexpected results.	1		
(13)	If the ag	ency had interfund transfers do the work papers show that the auditor: (Assertions E/O, C, R/O, A/CL)			·
	i.	Examined the authorization for the transfers			
	ii.	Compared actual transfers to the budgeted transfers			
	iii.	Checked to be sure that transfers-out equaled transfers-in across all funds? (Assertions A/CL)			
(14)		work papers include the information needed to support revenue and receivable note disclosure and show information was subjected to appropriate audit procedures? (Assertions E/O, C, R/O, V, A/CL, CO)			
(15)		ditor's risk assessment for any assertion related to governmental fund revenues, receivables and receipts			
	was doo	rumented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the			
		perform additional audit procedures to address the "high risk" determination for that assertion? (AU-C	1		
(16)		2 & A58)	\vdash	4	
(10)		e audit documentation show the linkage of the audit procedures the auditor performed to the auditor's drisks at the relevant assertion level as required by AU-C330.30? (For example PPC form <u>ALG-CX-</u>			
		<u>k Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC			
		ograms show in the left-hand column what assertions each audit procedure address.)	1		
	i.	If tests of revenues are warranted, do they indicate that the procedures of the entity ensure that the entity's revenue was properly recognized and reported?			
(17)	Based o	on the auditor's risk assessment summary in the area of governmental fund revenues, receivables, and	Π	T	
		at the assertion level, do the substantive tests of governmental fund revenues, receivables, and receipts			
		o be adequate at the relevant assertion level for the risk assessment that the auditor gave each assertion?			
		sertions are Existence/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O), Valuation or			
		on (V), Accuracy or Classification (A/CL), and Cutoff (CO).) Note that if the IPA uses PPC, this risk ent for governmental fund revenues and receivables, at the assertion level, will appear on form <u>ALG</u> -			
		Risk Assessment Summary Form.			

AUDIT EVIDENCE – SERVICE REVENUE AND RECEIVABLES – PROPRIETARY FUNDS

		NT 4		3.7	N T	N	W
	(1)		a key area. workpapers tie to the trial balance?	Y	N	A	P
			the audit documentation show that the auditor performed <u>one or more</u> of the following audit procedures				
•	(-)		h type of service revenue (water services, gas services, and electricity services)? (Assertions E/O,C,				
		i.	Compare the revenue recorded for the current year to revenue reported in the prior period (or other revenue exception) for each type of revenue service, and investigate unexpected variances.				
		ii.	Compare the revenue recorded for the current year to the budgeted revenue for the current year, for each type of service revenue, and investigate unexpected variances.				
		iii.	Calculate ratios or amounts and compare to prior periods and budgeted amounts in light of current conditions, and investigate any unexpected variances. (For example, (a) gallons of water pumped or purchased during the year times average rate per gallon; or quantity of service available to quantity of service billed; or other ratios unique to the agency)				
		iv.	Agree or reconcile the total(s) to the general ledger.				
((3)	procedu	work papers show that the auditor (a) obtained an understanding of the client's billings and collection ares, practices, and experience, and management's revenue recognition policies and (b) determined r the revenue recognition policies were in accordance with GAAP? (Assertions A/CL, CO)				
((4)	shortly	work papers show that the auditor scanned the billings register and investigated unusual transactions before and after the year end, and investigated unusual transactions by reviewing supporting entation if appropriate, and proposing adjusting or reclassification entries if necessary? (Assertions E/O,				
((5)		ounts receivable account balances related to service revenues, do the work papers show that the auditor ned at least one of the following audit procedures: (Assertions E/O, C, A/CL)		•	,	
		i.	Compared the balance in receivables with the balance for prior years (or other expectations) and investigated unexpected variances;				
		ii.	Compared the ratio of receivable balance to the related revenue for the current and prior years, or other expectations, and investigated unexpected variances;				
		iii.	Computed relevant receivable ratios and compared them to the same ratios for the prior year, or other expectations, and investigated unexpected variances.				
((6)		ne audit documentation show that the auditor reviewed the agency's reconciliations of the agency bles detail control account to the general ledger, if applicable? (Assertions E/O, C, A/CL)				
((7)	and ma	the audit documentation show that the auditor scanned the accounts receivable detail list for related-party terial employee receivables (for businesses owned by legislative or administrative officials) and that the followed up on any special treatment of such accounts. (Assertions E/O, A/CL)				
((8)	whether reasons auditor substan	ing confirmation of accounts receivable, do the work papers show that: (a) the auditor considered in to confirm billed receivables and if confirmations were not used; (b) the auditor documented the why confirmations were unnecessary? Examples of possible alternative procedures include that the assessed level of risk of material misstatement at the relevant assertions level as low and other planned tive procedures address the assessed risk. (See also AU-C 505.03 for additional reasons the auditor may not to use confirmations.) (Assertions E/O, C, R/O)				
((9)	If accou	unts receivable were confirmed, did the auditor do the following? (Assertions E/O, R/O)				
,	()	i.	Review the accounts selected for confirmation with a responsible agency official?				
		ii.	Document the accounts selected for confirmation?				

iii.	If the auditor had the agency prepare <u>positive</u> confirmation letters, did the auditor follow up with additional requests to those parties from whom replies were not received? (A positive confirmation does not include the wording "No reply is necessary if this amount agrees with your records." That wording indicates a "negative" confirmation.) (AU-C 505.12 & .A8)		
iv.	Did the auditor control the mailing of the letters? (AU-C 505.07)		
v.	Did the auditor follow up on responses that indicated a different account balance and perform alternative procedures for nonresponses? (AU-C 505.A33A34 & AU-C 330.29)		
vi.	Did the auditor evaluate and summarize the results of the confirmation process and were conclusions documented? (AU-C 505.16)		
evaluate procedu	agement refused to allow the auditor to perform external confirmation procedures did the auditor to the reasons and implications of management refusal or did the auditor perform alternative audit ares? (AU-C 505.08)		
	ng the accrual of accounts receivable at the end of the period, did the auditor take into consideration I receivables at the end of the period, if applicable? (Assertion C, CO)		
	e audit documentation show that the auditor inquired whether collection problems were likely to occur spect to accounts receivable that are classified as current? (Assertion V)		
receival minutes agency New M	work papers show that the auditor performed a search for sold, pledged, discounted, or assigned bles by performing some of the following procedures, as applicable: reviewing governing body meeting some institution confirmation responses, reviewing debt agreements, and inquiry of officials? Were any pledged receivables properly disclosed in the financial statements? (FYI - Some exico governmental agencies have revenues and related accounts receivables that are pledged to repay lance Authority debts.) (Assertions E/O, C)		
	work papers include information needed to support required revenue and receivables disclosures and information was subjected to appropriate audit procedures?		
was doc auditor	uditor's risk assessment for any assertion related to proprietary fund service revenue and receivables cumented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the perform additional audit procedures to address the "high risk" determination for that assertion? (AU-C 2 & A58)		
assesses 7.1, Ris	e audit documentation show the linkage of the audit procedures the auditor performed to the auditor's drisks at the relevant assertion level as required by AU-C 330.30? (For example PPC form <u>ALG-CX-k Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC ograms show in the left-hand column what assertions each audit procedure address.)		
at the as adequat assertio Allocati assessm	on the auditor's risk assessment summary in the area of proprietary fund service revenue and receivables assertion level, do the substantive tests of proprietary fund service revenues and receivables appear to be at the relevant assertion level for the risk assessment that the auditor gave each assertion? (The ns are Existence/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O), Valuation or ion (V), Accuracy or Classification (A/CL), and Cutoff (CO).) Note that if the IPA uses PPC, this risk tent for governmental fund revenues and receivables, at the assertion level, will appear on form <u>ALG-Risk Assessment Summary Form</u> .		

AUDIT EVIDENCE - EXPENDITURE/EXPENSES FOR GOODS AND SERVICES AND ACCOUNTS PAYABLE

COUNTS PAYABLE					
		Y	N	N	W
N	ot a key area.	-		Α	P
(1)	Do the workpapers tie to the trial balance?				
(2)	Do the work papers show that the auditor obtained (or updated) his or her understanding of the nature of the				
	client, the industry, and factors that affect its operations, and inquired regarding major changes during the				
	period? (AU-C 315.06, .12 & .33) (Assertions E/O,C)				
(3)	Do the working papers show that the auditor obtained an understanding of the agency's statutes, regulations,				
	and ordinances for purchasing goods or services? (AU-C 315.12 & .33)				
(4)	Do the working papers show that the auditor performed <u>at least one</u> of the following audit procedures on expenditure/expense account balances? (AU-C 240.22 & AU-C 520) (Assertions E/O, C, A/CL, CO)				

i		Compared expenditure/expense account balances at fiscal year-end to those of the prior year(s) and followed up on unexpected variances?				
ii.	•	Compared expenditure/expense account balances to the respective budgeted amounts and followed up on unexpected variances				
iii.	•	Computed the ratio of each account to total expenditures/expenses and compared it to prior-year ratios or other expectations and followed up on unexpected variances?				
iv.		Computed ratios unique to the type of governmental unit and compared them to the prior-year ratios (or other expectations) and followed up on unexpected variances.				
ι	ınde	he work papers show that the auditor looked for large and unusual transactions and obtained an retanding of the business purpose of those noted (capital asset purchases, lease payments, etc.)? (AU-C A58) (Assertions E/O, C, A/CL, CO)				
		ne work papers show that the auditor tested nonstandard journal entries that were made close to the end of iscal year? (AU-C 240.A58) (Assertions E/O, C, A/CL, CO)				
		ne work papers show that <u>some of</u> the following audit procedures were performed for the accounts payable the end of the fiscal year? (Assertions E/O, C, R/O, V, A/CL, CO) (AU-C 500 A10-A26)		•	,	
	i.	Agreed the total of the accounts payable detail list to the general ledger account balance				
	ii.	Scanned the list for unusual items or old items				
	iii.	Scanned the list for related-party accounts payables and gathered related disclosure information (AU-C 550 A22)				
	iv.	Compared the accounts payable balance with those of prior years (or other expectations) and investigated any unusual variances, considering known changes in activity. (AU-C 520 A2)				
	v. vi.	Traced the receiving cutoff information to the accounting records to determine whether the liability was recorded in the proper accounting period? Tests of transactions to indicate compliance with internal controls and laws and regulations.		'		
		the audit documentation show that the auditor performed <u>any</u> of the following procedures to search for corded liabilities (Assertions E/O, C, R/IO, A/CL, CO)				
	i.	Inspection of files of open purchase orders, unprocessed vendor invoices, and vendor statements looking for goods or services received on or before year end.				
	ii.	Review of cash disbursements after the balance sheet date, and determination for material disbursement of whether the goods or services were received on or before the balance sheet date.				
Ì	oalar	arding accrued liabilities, does the audit documentation show that the auditor compared the account nees with those of prior years (or other expectations) and investigated any unexpected variances? ertions E/O, R/O, C, V, A/CL, CO) (AU-C 520.A2-A6)				
		agencies that have outstanding encumbrances at year end, does the audit documentation show that the or performed some of the following procedures? (Assertion A/CL)				
	i.	Compared recorded expenditures and encumbrances outstanding with budget.				
	ii.	Determined that budget was encumbered for outstanding purchase orders.				
	iii.	Considered the validity of outstanding encumbrances.	\exists			
a	appro	the audit documentation show that the auditor considered whether long-outstanding checks were opriately reversed and that unclaimed amounts were properly handled in accordance with state escheat? (Assertion R/O)				
<u>1</u>	other F <i>orn</i>	e auditor's risk assessment for any assertion related to expenditures/expenses and accounts payable and liabilities was documented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary</u> d) did the auditor perform additional audit procedures to address the "high risk" determination for that tion? (AU-C 330.A12&.A58)				

(13)	assessed 7.1, Rish	e audit documentation show the linkage of the audit procedures the auditor performed to the auditor's risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form <u>ALG-CX-k Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC ograms show in the left-hand column what assertions each audit procedure address.)		
(14)	the asser appear to assertion Valuation PPC, this	In the auditor's risk assessment summary in the area of expenditures/expenses and accounts payable at rtion level, do the substantive tests of expenditures/expenses and accounts payable and other liabilities to be adequate at the relevant assertion level for the risk assessment that the auditor gave each at (The assertions are Existence/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O), on or Allocation (V), Accuracy or Classification (A/CL), and Cutoff (CO).) Note that if the IPA uses its risk assessment for governmental fund revenues and receivables, at the assertion level, will appear ALG-CX-7.1, Risk Assessment Summary Form.		
AUDIT	EVIDE	NCE – PAYROLL AND RELATED LIABILITIES		
(1)	Do the s	workpapers tie to the trial balance?	\neg	
		vorking papers show that the auditor obtained an understanding (or updated the understanding) of the	\dashv	
()		f the workforce and policies, procedures and regulations pertinent to wages, salaries, and benefits?		ĺ
(3)		ng payroll expenditures/expenses, do the working papers show that the auditor compared current year		
		tures/expenses to prior year payroll expenditures/expenses (and budget if applicable), and followed		
	up on ur	nexpected variances? (AU-C 240.22 & 520.A2) (Assertions E/O, C, A/CL)		
(4)		ng employee benefit expenditures/expenses and accruals, do the work papers show that the auditor ed some of the following applicable procedures? (Assertions E/O, C, R/O, V, CO) (AU-C 240.22 & A6)		
	i.	Compared compensated absences to the prior-period actual and current budget (if applicable) and followed up on any unexpected variances.		
	ii.	Determined that the accounting and reporting for termination benefits were in accordance with GAAP.		
	iii.	Identified bonuses or unusual compensation and tested the legal authorization.		
	iv.	Computed the ratio of payroll tax and employee benefit expenditures/expenses to total payroll and compared the ratio with the ratios of prior years or other expectations and followed up on unexpected variances.		
	v.	Considered the reasonableness of the accrual for payroll expenditures/expenses at the end of the period by performing a predictive test of the amount (such as comparing it to the subsequent payroll run).		
	vi.	Verified that audit procedures included compliance with the entities policies for paid absences, sick leave and vacation.		
	vii.	Verified that the audit procedures included tests of compliance with IRS rules and regulations.		
(5)		table, do the working papers show that the auditor obtained an understanding about the pension and clans, including the actuarial assumptions used to determine liabilities?		
	current y	eyee pension expenditures/expense are significant, do the work papers show that the auditor compared year expenditures/expenses to the prior year amounts (or other expected amount), and followed up on sted variances? (AU-C 240.22 & 520.A2) (Assertions E/O, C, A/CL)		
, ,	properly Postemp	work papers and/or financial statements document that the auditor considered whether the agency disclosed its participation in a Postemployment Pension Plan (such as PERA or ERB) and ployment Benefits Other than Pensions (OPEB) plan (such as RHCA)?		
(8)	benefit o	gency participates in a postemployment pension plan other than PERA or ERB or a postemployment other than pensions, other than RHCA, look at the PPC audit program for payroll and related liabilities were the questions under "Pension and OPER Plans"		

(9)	If the auditor's risk assessment for any assertion related to payroll and related liabilities was documented as "high risk" (on a form like PPC's ALG-CX-7.1, Risk Assessment Summary Form) did the auditor perform additional audit procedures that addressed the "high risk" determination for that assertion? (AU-C 330.A12& .A58)				
(10	Does the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's assessed risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form ALG-CX-7.1, Risk Assessment Summary Form shows what assertions the auditor thought were high risk and the PPC audit programs show in the left-hand column what assertions each audit procedure address.)				
AUDIT	EVIDENCE – INVENTORIES				
]	Not a key area.	Y	N	N A	W P
$\overline{(1)}$	Do the workpapers tie to the trial balance?				
(2)	Do the working papers indicate that the auditor inquired about the accounting method that the agency uses for each fund that records inventory and determined whether the method was in accordance with GAAP and properly disclosed in the notes to the financial statements? (According to GAAP, the governmental fund financial statements may use either the consumption method or purchase method. However, only the consumption method may be used in the government-wide financial statements and the proprietary fund financial statements. (GASB Cod. Sec. 1600.128) (Assertion A/CL)				
(3)	Do the working papers show that the auditor compared the end of the year dollar amount of inventory (by fund) to the prior-period (or other expectation) and considered the reasonableness of the differences in relation to knowledge of activity during the period? (AU-C 520.05 &.A2) (Assertion E/O, C, V, A/CL, CO)				
(4)	If the auditor considered inventory to be immaterial to the fund (less than tolerable misstatement) and the analytical comparison to prior-periods did not disclose unexpected variances; and therefore, the auditors did not consider observing the client's inventory counts to be a necessary audit procedure, do the work papers document that conclusion? (AU-C 501.11)				
(5)	If inventory is material to the financial statements, did the auditor consider the need to observe the client's inventory counts and to perform test counts to obtain sufficient appropriate audit evidence regarding the existence and condition of inventory? (AU-C 501.11)				
(6)	If inventory is material to the fund, and the auditor's comparisons above resulted in significant unexpected fluctuations, did the auditor document the performance of procedures like these? (AU-C 500.A53) (Assertions E/O, C, R/O, V)				
	i. Compare the auditor's count of significant items identified on the inventory summary with the client's count of those same significant items.				
	ii. Test the pricing (vouch to invoice) and extensions for significant items.				
	iii. Test the clerical accuracy of the client's inventory summaries and compare the totals to recorded amounts.				
	iv. Reconcile the physical inventory summaries to the general ledger account balances and investigate major reconciling items.				
	v. Testing of costing method (average, fifo, lifo) vi. Consideration of obsolete items.	Ш			
(7)		H	\exists	Ч	
(,)	(In the fund financial statements, inventory is classified as nonspendable fund balance pursuant to GASBS 54.6.)				
(8)	If the auditor's risk assessment for any assertion related to inventory was documented as "high risk" (on a form like PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the auditor perform additional audit procedures that addressed the "high risk" determination for that assertion? AU-C 330.A12 & A58)				
(9)	Does the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's assessed risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form <u>ALG-CX-7.1, Risk Assessment Summary Form</u> shows what assertions the auditor thought were high risk and the PPC audit programs show in the left-hand column what assertions each audit procedure address.)				

(10	substar the aud or Obl Note th	on the auditor's risk assessment summary in the area of inventory at the assertion level, do the native tests of inventory appear to be adequate at the relevant assertion level for the risk assessment that ditor gave each assertion? (The assertions are Existence/Occurrence (E/O), Completeness (C), Rights igations (R/O), Valuation or Allocation (V), Accuracy or Classification (A/CL), and Cutoff (CO).) nat if the IPA uses PPC, this risk assessment for governmental fund revenues and receivables, at the on level, will appear on form <u>ALG-CX-7.1, Risk Assessment Summary Form</u> .				
AUDIT	EVID	ENCE – CAPITAL ASSETS AND EXPENDITURES			N	W
	Not a ke		Y	N	A	P
	Does the and invalid 1978;	workpapers tie to the trial balance? he audit documentation show that the auditor: (a) inquired regarding the agency's capitalization policy ventory policy; (b) determined whether the policies were in accordance with Section 12-6-10, NMSA and (c) determined whether the agency complied with policies regarding capitalization threshold and				
	annual i.	inventory? (Assertions E/O, C, A/CL) The statute requires agencies to capitalize assets that cost more than \$5,000.				
	ii.	The statute requires the agency to perform an annual inventory of its capital assets. For State Agencies, does the audit evidence indicate that the annual capital assets inventory included both the agency-owned vehicles and long-term leased vehicles? (Section 15-8-1 to 15-8-11 NMSA 1978)				
(3)	while p	he audit documentation show that the auditor obtained an understanding of the agency's capital assets performing procedures like: (a) inquiries of management, (b) review of the minutes, (c) review of new or other contracts, (d) physical observation, and (e) tests in other audit areas? (Assertions C, R/O)				
	i.	Do the work papers show that the auditor followed up to ensure that the accounting records included all significant additions (whether purchased, constructed, or acquired by capital lease) and all significant deletions for property disposed of or abandoned? (An example of a procedure of this type would be reviewing the agency's reconciliation of its capital outlay expenditures to its capital asset additions.) (Assertions E/O, C, A/CL, CO)				
	ii.	Do the work papers show that the auditor considered whether the agency had satisfactory title to the capital assets, liens against the assets, or any assets had been pledged? (See the management representation letter for management's assertions in this area.) (Assertion R/O, V)				
(4)	infrastı	agency had significant infrastructure, did the auditor document consideration of whether the ructure (roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems) whed by the agency and were valued reasonably in accordance with GASB 34 ¶ 154-166?				
(5)	balance deprec deprec	he audit documentation show that the auditor obtained or prepared a schedule with opening and ending es in each capital asset account, (including infrastructure if applicable) and related accumulated iation and amortization accounts and the additions and deletions, current year iation/amortization, transfers and other adjustments and performed some of the following applicable ures? (Assertions E/O, C, R/O, V, A/CL, CO)				
	i.	Compared the activity and account balances in the capital assets and accumulated depreciation accounts with the prior year balances (or other expectations) and the budget, and followed up on unexpected variances? (AU-C 520).				
	ii.	Reviewed the property disposition documentation for compliance with the requirements of Sections 13-6-1 and 13-6-2 NMSA 1978.				
	iii.	Considered whether all assets required to be depreciated were being depreciated.				
	iv.	Inquired whether the governmental entity has entered into any service concession arrangements with another government or a nongovernmental entity.				
	v.	Tested capital expenditures and significant lease payments to capital additions, and asset deletions to significant sales of capital assets.				
	vi.	Evaluated whether transfers of capital assets have been properly reported.				

	vii.	Evaluated whether the value of donated assets has been properly recorded.				
(6	reported material	udit documentation and financial statement notes show that the current year depreciation expense was by function as required by GASB 34 ¶ 44 and 45? (Assertion A/CL) If depreciation expense was to the function expense, did the auditor perform a procedure like tracing depreciation/amortization balances to the respective function in the statement of activities? (C, V, A/CL)				
(7	the work (b) whet	aditor's determination regarding whether the depreciation/amortization expenses are reasonable, do a papers indicate that the auditor considered: (a) whether the useful lives of assets were reasonable; her assets were being depreciated/amortized consistently in accordance with GAAP; and (c) whether are significant amounts of fully depreciated/amortized assets with those assets still in use?				
(8	B) Did the	auditor perform the following procedures to identify and evaluate potentially impaired capital assets:				
	i.	Did the auditor review information obtained in other procedures, knowledge of the governmental unit's activities, and information obtained during facility tours or inventory observations, evaluate whether the remaining useful lives of assets are reasonable and the net carrying values are recoverable.				
	ii.	If a capital asset has been identified as being <i>potentially</i> impaired, determine if the two impairment tests in GASBS No. 42 have been reviewed and met.				
	iii.	Did the auditor determine whether capital asset impairments and related insurance recoveries, if any, have been properly reported in the financial statements?				
(9	recogniz The revi	auditor determine that intangible assets under the scope of GASBS 51 are classified as capital assets, red in the financial statements, measured, and amortized in the same manner as other capital assets? ewer may need to check the IPA's response to Question L. (3) – page 29 of the completed IPA review order to answer this question.				
(1	Facilitie	<u>sool Districts Only</u> : Was there a search for capital outlay expenditures made by the NM Public School is Authority for property belonging to the school district? Did the school district appropriately the any property constructed by the NM Public School Facilities Authority? (6.20.2 NMAC PED on)				
(1	1) Is the ca	pital asset disclosure in the financial statements supported by the working papers?				
(1	form lik	ditor's risk assessment for any assertion related to capital assets was documented as "high risk" (on a tell PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the auditor perform additional audit res that addressed the "high risk" determination for that assertion? AU-C 330.A58 & .A12				
(1	assessed <u>Assessm</u>	e audit documentation show the linkage of the audit procedures the auditor performed to the auditor's risks at the relevant assertion level as required by AU-C 330.30? (PPC form <u>ALG-CX-7.1, Risk ent Summary Form</u> shows what assertions the auditor thought were high risk and the PPC audit is show in the left-hand column what assertions each audit procedure address.)				
(1	substant that the Complet (A/CL),	In the auditor's risk assessment summary in the area of capital assets at the assertion level, do the rive tests of capital assets appear to be adequate at the relevant assertion level for the risk assessment auditor gave each assertion? AU-C 330.06-33 (The assertions are Existence/Occurrence (E/O), teness (C), Rights or Obligations (R/O), Valuation or Allocation (V), Accuracy or Classification and Cutoff (CO).) Note that if the IPA uses PPC, this risk assessment for governmental fund revenues ivables, at the assertion level, will appear on form <u>ALG-CX-7.1, Risk Assessment Summary Form.</u>				
AUDI	T EVIDE	NCE – DEBT AND DEBT SERVICE EXPENDITURES			N	117
	Not a key	area.	Y	N	N A	W P
		workpapers tie to the trial balance?				
(2		work papers show that the auditor obtained (or prepared) an analysis of debt and interest activity for l year and performed the following audit procedures? (Assertions E/O, C, A/CL, CO) (AU-C 520)				
	i. (Compared liability account balances and the related interest account balances to those of the prior year (or other expectations) and investigated unexpected variances?				

	ii.	Compare balances in the liability accounts to debt amortization schedules and to the terms of new debt agreements (if applicable) and investigate unexpected variances?			
(3)		work papers show that the auditor reviewed the State Constitution, applicable statutes, and ordinances thorize the agency to borrow, and performed some of the audit procedures below? (Assertion E/O, C, \/CL)		'	ı
	i.	If new debt was issued, review minutes for authorization of the debt, or records of voter referendums approving the issuance of debt (if applicable). (Assertion E/O, C, R/O).			
	ii.	Confirm legal compliance of debt sales with bond counsel or state authority, document the items selected for confirmation, and retain the returned confirmations. (AU-C 505.07) (Assertions E/O, R/O)			
	iii.	Traced proceeds of new debt to the bank deposit, and considered the appropriateness of the fund classification. (Assertion A/CL)			
	iv.	Did the auditor select a sample of debt issuances and determine whether: (1) they complied with the compliance requirements that could have a direct and material effect on the financial statements; and (2) taxes levied or other revenues dedicated to service the debt were adequate?			
	v.	Do the work papers show that the auditor reviewed loan and debt agreements to determine whether assets were pledged and whether there were any restrictive covenants? Do the financial statements disclose all pledged assets and restrictions that the auditor discovered?			
	vi.	Determine by inquiry and review of minutes or agreements whether the entity has entered into securities lending transactions. If there have been such transactions, determine that the accounting and disclosure requirements of GAAP have been met.			
(4)		Did the auditor perform a search of the minutes or agreements to determine whether any new debt issued was an advance refunding transaction that resulted in defeasance of debt? If there was such a transaction did the auditor determine that the accounting and disclosure requirements GASBS 7 for governmental funds and GASBS 23 for proprietary funds were met? The auditor review the client-prepared documentation supporting compliance with debt covenants,			
		ion, etc., and perform some of the following procedures:	<u> </u>	1	
	i. 	Confirm restrictions, terms, and proceeds with the lender or underwriter. (Assertion R/O, V)	\sqcup		
	ii. 	Confirm compliance with appropriate covenants with the trustee. (Assertion R/O, V)			
	iii.	Reperform the client's tests of its compliance with restrictive covenants	Ш		
	iv.	Inquire about and test compliance with applicable SEC disclosure rules for reporting annual financial information and material events.			
(5)	audito	mation form – For debt that was not confirmed on the standard financial institution confirmation, did the have the client prepare separate confirmation letters? Did the auditor document the items selected for nation? (E/O, R/O, A/CL)			
(6)		e work papers show that the auditor reviewed the agency's debt service payments and performed able procedures shown below? (Assertions C, R/O, V, A/CL, CO)			
	i.	Analytically test the reasonableness of interest expenditure/expense and interest payable by an overall calculation, based on the average principal amounts outstanding during the period and contractual or average interest rates. Obtain an explanation for unusual variations and examine support for explanations as necessary. (AU-C 520)			
	ii.	Considered compliance with sinking fund requirements? (Assertion R/O)			
	iii.	Considered the need to impute interest on noninterest bearing notes? (Assertion V)			
(7)	into d	ding leases, do the work papers show that the auditor examined significant lease agreements entered turing the year, and determine whether any leases should be capitalized. Identify disclosure points for capital and operating leases.			

	(8)	wheth	agency has risk of exposure to environmental or pollution remediation liabilities did the auditor test er the agency followed GASB 49, Accounting and Financial Reporting for Pollution Remediation ations, in reporting and disclosing the liability? (Assertion C, V, A/CL)				
	(9)	as "hi	auditor's risk assessment for any assertion related to debt and debt service expenditures were documented gh risk" (on a form like PPC's ALG-CX-7.1, Risk Assessment Summary Form) did the auditor perform onal audit procedures that addressed the "high risk" determination for that assertion? (AU-C 330.A58 &				
	(10	assess 7.1, R	the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's ed risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form ALG-CX-isk Assessment Summary Form shows what assertions the auditor thought were high risk and the PPC programs show in the left-hand column what assertions each audit procedure address.)				
	(11	asserti releva Existe Accur govern	on the auditor's risk assessment summary in the area of debt and debt service expenditures at the ion level, do the substantive tests of debt and debt service expenditures appear to be adequate at the nt assertion level for the risk assessment that the auditor gave each assertion? (The assertions are ince/Occurrence (E/O), Completeness (C), Rights or Obligations (R/O), Valuation or Allocation (V), acy or Classification (A/CL), and Cutoff (CO).) Note that if the IPA uses PPC, this risk assessment for immental fund revenues and receivables, at the assertion level, will appear on form ALG-CX-7.1, Risk sment Summary Form.				
AUD	IT l	EVIDI	ENCE – EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS		<u> </u>		
				37	.,	N	W
	(1)	D 4		Y	N	A	P
			workpapers tie to the trial balance? work papers show that the auditor reviewed applicable state statutes, local ordinances, resolutions, or				
			egislation for matters that affect components of equity? (R/O, A/CL)				
	(3)	Do the agreem properl	work papers show that the auditor reviewed: (a) the minutes, the charter (if applicable), and debt ents to identify authorizations for equity classifications and to ensure that the financial statements y reflected the new fund balances classifications (Nonspendable; Restricted; Committed; Assigned; and gned) and whether net position were restricted or unrestricted? (Assertion E/O,C,R/O, A/CL, CO)				
	` ′		work papers show that the auditor inquired of appropriate government personnel about the following and documented the discussions and copies of significant agreements in the permanent workpaper files (VO):				
		i.	the existence of fund balance restrictions, commitments, or assignments, as applicable;				
		ii.	management's policy regarding whether to first apply restricted or unrestricted resources when an expenditure is incurred for which both restricted and unrestricted fund balance or net position is available;				
		iii.	management's policy regarding whether to first apply committed, assigned, or unassigned amounts when an expenditure is incurred for which amounts in any of these unrestricted fund balance classifications could be used (Absent such a policy, did the auditor inquire about whether the agency considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used);				
		iv.	Whether stabilization amounts have been formally set aside; and		\dagger	\dashv	
		v.	Whether the government has a minimum fund balance policy?		\top	\dashv	
	(5)	Do the R/O)?	e work papers show that the auditor reviewed whether the agency adhered to its equity policies (E/O,				
	(6)		the auditor obtain or prepare an analysis of changes in the aggregate fund balance and components of the balance for each individual fund and:				
		i.	trace the beginning balances to the working trial balances and prior audit report;			\Box	
		ii.	Determine whether restricted, committed, or assigned resources, as applicable, were used for their intended purpose and in accordance with management's policies? (E/O, C, R/O, A/CL, CO).				
	(7)	Did the	auditor consider whether:	l			

	i.	Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact, were reported in the governmental funds as "nonspendable" fund balance?				
	ii.	Encumbrances at year end, were included in the applicable fund balance classification (not displayed separately)? (E/O, C, A/CL)				
(8)		he audit documentation show that the auditor determined whether activities were properly segregated and and whether the funds were reported in the proper fund classification by performing procedures like: vouching the charges or credits changing the aggregate fund balance to supporting documentation;				
	ii.	inspecting the fund balance classification supporting documentation;		-		
	iii.	determining whether a negative unassigned fund balance was created or increased;				
	iv.	determining whether restrictions, commitments, and assignments were removed if they were no longer needed;				
	v.	determining whether equity classifications were in compliance with legal and contractual provisions and management policies; and				
	vi.	considering whether the equity accounting treatment and note disclosure were appropriate. (E/O, C, R/O, V, A/CL)				
(9)	audit p	w major funds that were not reported as major in the prior period, did the auditor consider performing rocedures on the opening equity balance to evaluate whether the equity amount is properly stated and ted by underlying assets and liabilities? (E/O, V, CO)				
(10)	fund b	ling the reconciling items that reconcile the total fund balances to the net position, and the changes in alances per the fund financial statements to the changes in net position per the government-wide ents for both the governmental activities and business-type activities (when applicable), did the auditor in procedures like the following:			•	
	i.	determine whether the reconciling items are properly calculated and presented in the reconciliations; and				
	ii.	determine whether activities were properly classified as governmental or business-type activities in the government-wide financial statements? (V, A/CL)				
(11)	form li	nuditor's risk assessment for any assertion related to fund equity was documented as "high risk" (on a ke PPC's <u>ALG-CX-7.1, Risk Assessment Summary Form</u>) did the auditor perform audit procedures that sed the "high risk" determination for that assertion? (AU-C 330.A58 & .A12)				
(12)	assesse 7.1, Ri	the audit documentation show the linkage of the audit procedures the auditor performed to the auditor's red risks at the relevant assertion level as required by AU-C 330.30? (For example PPC form ALG-CX-sk Assessment Summary Form shows what assertions the auditor thought were high risk and the PPC rograms show in the left-hand column what assertions each audit procedure address.)				
(N)	Inqui	iry of a Client's Lawyer Concerning Litigation:	Y	/ N		W P
(1)	the en applied descri- staten inform minut litigat	ne auditor design and perform audit procedures to identify litigation, claims, and assessments involving native that may have a material effect on the financials (a) by inquiring of management and, when cable, others within the entity, including in-house legal counsel; (b) obtaining from management a ption and evaluation of litigation, claims, and assessments that existed at the date of the financial ments being reported on and during the period from the date of the financial statements to the date the nation is furnished, including an identification of those matters referred to legal counsel; (c) reviewing es of meetings of those charged with governance, documents obtained from management concerning ion, claims, and assessments, and correspondence between the entity and its external legal counsel; and eviewing legal expense accounts and invoices from external legal counsel? (AU-C 501.16)				
(2)	obtair	conclusions documented for actual or potential ligation, claims and assessments as a result of responses and in direct communication with the client's lawyer and/or management relating to matters covered by dit's inquiry letter? (AU-C 501.17)				
(3)		the auditor obtain timely and direct communication from the entity's attorney concerning litigation, s, and assessments? (AU-C 230.19)				

(4)	Did the auditor modify the opinion in the auditor's report if (a) the entity's legal counsel refused to responsible appropriately to the letter of inquiry and the auditor is unable to obtain sufficient appropriate audit evidently performing alternative audit procedures; or (b) management refuses to give the auditor permission communicate or meet with the entity's external legal counsel? (AU-C 501.24)	nce			
(O)	Opening Balances on the Financial Statements:		Y	N	N
(1)	Did the auditor document review of the most recent financial statements, and the predecessor auditor's rep if applicable, for information relevant to opening balances including disclosures, and consistency in application of accounting policies? (AU-C 510.06)				A
(2)	Did the auditor document that they obtained sufficient appropriate audit evidence about whether the open balances contain misstatements that materially affect the current period's financial statements? (AU-C 510.0)				
(3)	Did auditor document that they obtained sufficient appropriate audit evidence about whether the account policies reflected in the opening balances have been consistently applied in the current period's financial statements and whether changes in the accounting policies have been appropriately accounted for a adequately presented and disclosed in accordance with the applicable financial reporting framework? (AU 510.10)	cial and			
(P)	Analytical Procedures:	Y	N	N A	W P
((1) If analytical procedures were used either alone or in combination with test of details as substantive procedures did the auditor design and perform following procedures? (AU-C 520.05)				
	i. Did the auditor determine the suitability of particular substantive analytical procedures for given assertions?				
	ii. Did the auditor evaluate the reliability of data from which the auditor's expectation of recorded amounts of ratios is developed, taking into account the source, comparability, and nature of the relevance of information available and controls over preparation?				
	iii. Did the auditor develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise and to identify a misstatement either individually or in aggregate?				
	iv. Did the auditor determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation?				
	v. Did the auditor investigate differences when the auditor identifies fluctuations or relationships that are inconsistent with other relevant information?				
	vi. Perform additional audit procedures on items discovered in item v. Did the auditor design and perform analytical procedures near the end of the audit that assist the auditor when forming an overall conclusion about whether the financial statements are consistent with the auditor's understanding of the entity? (AU-C 520.06)				
(5)	If analytical procedures performed in accordance with this section identify fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount, did the auditor investigate such differences by (a) inquiring of management and obtaining appropriate audit evidence relevant to management's responses and (b) performing other audit procedures as necessary in the circumstances? (AU-C 520.07)				
(Q)	Audit Sampling:	Y	N	N A	W P
	When designing the audit sample, during the course of the audit did the auditor consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn along with the risk of misstatement? (AU-C 530.06)			- 4	
(2)	In determining the sample sizes, during the course of the audit, did the auditor determine a sample size sufficient to reduce sampling risk to an acceptably low level? (AU-C 530.07)				

(3)	Did the auditor identify the population to be tested and was the sample selected in such a way that it could be expected to be representative of the population and does it provide the auditor with a reasonable basis for conclusion about the population? (AU-C 530.08)				
(4)	In planning did the auditor plan audit procedures appropriate to the purpose of the samples selected? (AU-C 530.09)				
(5)	If the audit procedure is not applicable to the selected item, did the auditor perform the procedure on a replacement item? (AU-530.10)				
(6)	If there were any deviations or misstatements identified in the sample, did the auditor investigate the nature and cause and evaluate their possible effect? (AU-C 530.12)				
(7)	Did the auditor project the results of the audit sampling to the population? (AU-C 530.13)				
i	If documents selected for testing could not be located by the entity, and if considering those unexamined items to be misstated led to a conclusion that the balance or class contained material misstatement, did the auditor: (1) consider alternative procedures; and (2) whether the reasons for his or her inability to examine the items could be fraud-related. (AU-C 530.11) The missing documentation should result in an exception in the following areas: i. treated as a deviation from controls (tests of controls); and i. treated as a misstatement (tests of details).				
(9)	In evaluating whether the financial statements may be materially misstated, was appropriate consideration given, in the aggregate, to projected misstatement resulting from all audit sampling applications and to known misstatements from non-sampling applications? (AU-C 530.14)				
(R)	Accounting Estimates:	Y	N	N A	W P
. ,	Do the working papers include documentation of the auditor's understanding of accounting estimates made by management in order to provide a basis for the identification and assessment of risk of material misstatement for accounting estimates? Also, see AU-C 540.08 for procedures related to assessment of accounting estimates.				
	Did the auditor evaluate the degree of estimation uncertainty associated with an accounting estimate when identifying and assessing the risks of material misstatement? (AU-C 540.10)				
. ,	Does the audit documentation show that the auditor determined whether management has appropriately applied the requirements of the applicable financial reporting framework relevant to the accounting estimate and whether the methods for making the accounting estimates are appropriate and have been applied consistently and whether changes from the prior period, if any, in accounting estimates or the method for making them are appropriate in the circumstances? (AU-C 540.12)				
	Do the working papers include documentation regarding inquiries into material accounting estimates other than depreciation? If such estimates exist, is there documentation of the testing of those estimates?				
	Do the working papers include documentation of the auditor's understanding and testing of contingent liabilities?				
(S)	Related Party Transactions:	Y	N	N A	W P
(1)	Did the auditor perform audit procedures and related activities to obtain information relevant to identifying the risks of material misstatement associated with related party relationships and transactions? (AU-C550.12)				
(2)	Does the audit documentation show that the auditor inquired of management regarding the following: disclosure of the entity's related parties, the nature of the relationships between the entity and those related parties, and whether the entity entered into any transactions with those related parties during the period? (AU-C 550.14)				

(3	Does the audit documentation show that the auditor inquired with management and others within the entity and performed other risk assessment procedures to obtain an understanding of the controls management has established to: identify, account for, and disclose related party relationships, authorize and approve significant transactions with related parties, and authorize and approve significant transactions and arrangements outside the normal course of business? (AU-C 550.15)				
·	Did the auditor evaluate whether the related party disclosure was adequate? (AU-C 550.26). If the auditor determined that the disclosure was not adequate, did the auditor give a modified opinion because of the departure from GAAP, depending on materiality? (AU-C 550.A18) i. Did the auditor perform tests of related party transactions to ascertain that the controls were operating as disclosed?				
	as disclosed:				
		- 		3.7	
(T)	Subsequent Events:	Y	N	N A	W P
(1)	Did the auditor perform audit procedures or inquires designed to obtain sufficient appropriate audit evidence that all subsequent events that require adjustment of, or disclosure in, the financial statements have been identified? (AU-C 560.09)				
(2)	Did the auditor perform audit procedures that covered the period from the date of the financial statements to the date of the auditor's report or as near as practicable thereto? (AU-C 560.10)				
(3)	If events or transactions occurred subsequent to the balance-sheet date, that had a material effect on the financial statements, were financial statements adjusted or was disclosure made in accordance with the requirements of (AU-C 560.11)?				
(U)	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern:	Y	N	N A	W P
(1)	Did the auditor evaluate whether there is substantial doubt about the entity's ability to continue as going concern for a reasonable period of time? The auditor's evaluation can be obtained from the application of audit procedures planned and performed to achieve the audit objectives that are related to the financial statements being audited. (AU-C 570.08 & .09)				
(V)	Written Representations:	Y	N	N A	W P
(1)	Did the auditor obtain written Representation Letter from management as of the date of the auditor's report on the financial statements? (AU-C 580.20)				
(2)	Does the written Representation Letter from management cover all financial statements and period(s) referred to in the auditor's report? (AU-C 580.20)				
(3)	Does the Representation Letter contain the following applicable language? Note: This does not have to be word for word, however the overall concepts should be addressed. If the reviewer has questions they should consult the lead reviewer. (AU-C 580.A35)				
	i. That management has fulfilled their responsibilities, as set out in the terms of the audit engagement letter, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.				
	ii. Management acknowledges that the financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.				
	iii. Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.				

iv.	Management is responsible for the design, implementation, and maintenance of internal control to prevent and detect fraud.		
v.	Management is responsible for ensuring that significant assumptions used by them in making accounting estimates, including fair value measurements, are reasonable.		_
vi.	Related party relationships and transactions have been appropriately accounted for and disclosed by management in accordance with the requirements of U.S. GAAP.		_
vii.	All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed by management.		
viii.	The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements that have been disclosed by management should be attached to the representation letter.		
ix.	The effects of all known actual or possible litigation and claims have been accounted for and disclosed by management in accordance with U.S. GAAP.		
х.	Management should also indicate that they have provided the auditor with access to all information, of which they are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.		
xi.	Management should indicate that all transactions have been recorded in the accounting records and are reflected in the financial statements.		_
xii.	That management has disclosed to the auditors the results of their assessment of the risk that the financial statements may be materially misstated as a result of fraud.		_
xiii.	That management has [no knowledge of any] or [disclosed to the auditor all information that they are aware of regarding] allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.		
xiv.	That management has disclosed to the auditor all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.		
XV.	Is the letter signed by those members of management with appropriate responsibility for financial and operating matters whom the auditor believes are responsible for and knowledgeable about, directly or through others in the organization, the matters covered in the representations? (AU-C 580.09) (Usually the Chief Executive and the Chief Financial Officer.)		
xvi.	If management refused to furnish one or more written representations, did the auditors qualify the opinion, disclaim an opinion, or withdraw from the engagement as appropriate? (AU-C 580.26)		
	was a single audit conducted the following is required to be included in the 'Written's' related to the Single Audit. See below for those requirements.		
i.	Management is responsible for understanding and complying with and has complied with the requirements of <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.		
ii.	Management is responsible for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of Uniform Guidance.		

(4)

iii.	That management has identified and disclosed to the auditors all of the government programs and related activities subject to Uniform Guidance and included in the SEFA for the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.		
iv.	Management is responsible for establishing and maintaining, and has established and maintained, effective internal controls over the compliance requirements applicable to federal programs that provide reasonable assurance that they are managing federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on federal programs. Management believes the internal control system is adequate and is functioning as intended.		
V.	That management has made available all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.		
vi.	That management has received no requests from a federal agency to audit one or more specific programs as a major program.		
vii.	That management has complied with the direct and material compliance requirements (except for noncompliance disclosed to the auditor), including when applicable, those set forth in the <i>Uniform Guidance Compliance Supplement</i> , relating to federal awards and has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the requirements of federal awards.		
viii.	That management has disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.		
ix.	That management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.		
х.	That management has disclosed to the auditor their interpretation of compliance requirements that may have varying interpretations.		
xi.	That management has disclosed to the auditor the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.		
xii.	That management has made available to the auditor all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.		
xiii.	That management has disclosed whether any changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), that have occurred subsequent to the date as of which compliance was audited.		
xiv.	Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.		
XV.	The copies of federal program financial reports provided to the auditors are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.		

	xvi.	If applicable, management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Uniform Guidance.				
	xvii.	If applicable, management has taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken appropriate and timely corrective action on findings.				
	xviii.	If applicable, management has considered the results of subrecipient audits and has made any necessary adjustments to the agency's books and records.				
	xix.	Management has charged costs to federal awards in accordance with applicable cost principles.				
	XX.	Management has accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and they have provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.				
	xxi.	Management is responsible for and has accurately prepared the auditee section of the Data Collection Form as required by Uniform Guidance.				
	xxii.	If applicable, management is responsible for preparing and implementing a corrective action plan for each audit finding.				
	xxiii.	If applicable, management has disclosed to the auditor all contracts or other agreements with service organizations, and has disclosed to the auditor all communications from service organizations relating to noncompliance at the service organizations.				
(TT)	<i>c</i>		Y	N	N A	W P
(W)	(1) If sulthe a the p	ation of Omitted Procedures After the Report Release Date: esequent to the report release date, the auditor becomes aware of an omitted procedure, did auditor assess the effect of the omitted procedure on the auditor's present ability to support reviously expressed opinion on the financial statements and consider the guidance of essional standards in determining the appropriate action to be taken? (AU-C 585.06)			Λ	1

V. USING THE WORK OF OTHERS

(X) Audits of Group Financial Statements (Including the Work of Component Auditors)

This section addresses special considerations that apply to group audits, in particular those that involve work of component auditors that will be used as audit evidence for the group audit. A component auditor is an auditor who performs work on the financial information of a component. A component is an entity or business activity required to be included in the group financial statements. Do not confuse a "component" with a "component unit" as defined by GASB 14 (as amended).

(1)	Did the group engagement	team include the following	in the audit documentation	(AU-C 600.50):

- i. An analysis of components indicating those that are significant and the type of work performed on the financial information of the components;
- ii. Those components for which reference to the reports of component auditors is made in the auditor's report on the group financial statements;

N

- iii. Written communications between the group engagement team and the component auditors about the group engagement team's requirements;
- iv. For those components for which reference is made in the auditor's report on the group financial statements to the audit of a component auditor, the financial statements of the component and the report of the component auditor thereon.

(2)		auditor of the group financial statements assumed responsibility for the work of a component auditor, e following documentation also included in the working papers? (AU-C 600.61)		
	i.	The group engagement team should include in the audit documentation the nature, timing, and extent of the group engagement team's involvement in the work performed by the component auditors on significant components, including, when applicable, the group engagement team's review of relevant parts of the component auditors' audit documentation and conclusions thereon.		
	ii.	Information on instances of noncompliance with laws or regulations at the component or group level that could give rise to a material misstatement of the group financial statements		
	iii.	Significant risks of material misstatement of the group financial statements, due to fraud or error, identified by the component auditor in the component and the component auditor's responses to such risks. The group engagement team should request that the component auditor communicate such significant risks on a timely basis.		
	iv.	A list of corrected and uncorrected misstatements of the financial information of the component (the list need not include misstatements that are below the threshold for clearly trivial misstatements communicated by the group engagement team).		
	v.	Indicators of possible management bias regarding accounting estimates and the application of		
	vi.	accounting principles. Description of any identified material weaknesses and significant deficiencies in internal control at the component level.		
	vii.	Other significant findings and issues that the component auditor communicated or expects to communicate to those charged with governance of the component, including fraud or suspected fraud involving component management, employees who have significant roles in internal control at the component level, or others that resulted in a material misstatement of the financial information of the component.		
	viii.	Any other matters that may be relevant to the group audit or that the component auditor wishes to draw to the attention of the group engagement team, including exceptions noted in the written representations that the component auditor requested from component management.		
(3)	eviden strateg	e group engagement team establish an overall group audit strategy and a group audit plan? Is there are in the audit documentation that the group engagement partner reviewed the overall group audit group audit plan? (AU-C 600. 18 and 600.A30)		
(4)	Did th	e group engagement team determine the following pursuant to AU-C 600.32:		
	i.	materiality, including performance materiality, for the group financial statements as a whole;		
	ii.	whether particular classes of transactions, account balances, or disclosures in the group financial statements exist for which misstatements of lesser amounts than materiality for the group financial statements as a whole could reasonably be expected to influence the economic decisions of users;		
	iii.	component materiality for those components on which the group engagement team will perform, or request a component auditor to perform, an audit, and component performance materiality; and		
	iv.	The threshold above which misstatements cannot be regarded as clearly trivial to the group financial statements.		
(5)	inform effecti at the	nature, timing, and extent of the work to be performed on the consolidation process or the financial nation of the components was based on an expectation that the group-wide controls were operating vely (or when substantive procedures alone could not provide sufficient appropriate audit evidence assertion level) did the group engagement team or the component auditor test on the group ement team's behalf, the operating effectiveness of the group-wide internal controls? (AU-C 600.33)		
(6)	that di contro	consolidation process required adjustments to amounts reported in the group financial statements d not pass through the usual transaction processing systems (or were not subject to the same internal ls as other financial information) did the group engagement team evaluate the appropriateness, eteness, and accuracy of the adjustments? (AU-C 600.A69)		
(7)	audit,	fferent auditor was used to audit an entity or business activity that was part of the group (agency) did the agency obtain written approval from the State Auditor to use a different auditor for an entity iness activity? (Sections 2.2.2.10(A)(1))		

(Y) The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements (AU-C 610)

This AU-C section provides the auditor with guidance on considering the work of internal auditors and on using internal auditors to provide direct assistance to the auditor in an audit performed in accordance with generally accepted auditing standards (GAAS).

			Y	N	N A	W P
		uditor obtain an understanding as to whether the work of the internal auditor could be used ng audit evidence by evaluating the following (AU-C 610.13):			'	
	i.	the extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal auditors;				
	ii.	the level of competence of the internal audit function;				
	iii.	the application by the internal audit function of a systematic and disciplined approach, including quality control.				
(2)	can be u	Did the auditor determine the areas and the extent to which the work of the internal audit function can be used, and did the auditor consider the nature, timing, and extent of the work that has been performed, or is planned to be performed, by the internal audit function and its relevance to the external auditor's overall audit strategy and audit plan? (AU-C 610.15)				
(3)		d the auditor make all significant judgments in the audit engagement, including when using the ork of the internal audit function in obtaining audit evidence? (AU-C 610.16)				
(4)	or the de perform auditor's degrees significa	For assertions related to material financial statement amounts where the risk of material misstatement or the degree of subjectivity involved in the evaluation of the audit evidence was high, did the auditor perform sufficient direct procedures, to obtain sufficient appropriate audit evidence to support the auditor's opinion? (AU-C A23) (Examples areas with high risks of material misstatement and/or high degrees of subjectivity include assertions about the valuation of assets and liabilities involving significant accounting estimates, and about the existence and disclosure of related-party transactions, contingencies, uncertainties, and subsequent events.)				
(5)		ditor requested direct assistance from the internal auditors (like assistance in obtaining an anding of internal controls, performing test of controls, or performing substantive tests) (AU-):				
i.		e auditor still perform procedures to obtain sufficient appropriate audit evidence to support ditor opinion;				
ii.	did the	e auditor assess the internal auditors' competence and objectivity;				
iii.		e auditor supervise, review, evaluate, and test the work performed by internal auditors to the appropriate in the circumstances;				
iv.	they v	e auditor inform the internal auditors of their responsibilities, the objectives of the procedures were to perform, and matters that could affect the nature, timing, and extent of audit lures (such as possible accounting and auditing issues); and				
v.		e auditor inform the internal auditors that all significant accounting and auditing issues ied during the audit should be brought to the auditor's attention?				

(Z) Using the Work of an Auditor's Specialist (AU-C 620)

This AU-C section addresses the auditor's responsibilities relating to the work of an individual or organization possessing expertise in a field other than accounting or auditing when that work is used to assist the auditor in obtaining sufficient appropriate audit evidence. This section does not apply when the engagement team includes a member, or consults an individual or organization, with expertise in a specialized area of accounting or auditing. This

statements. Y Ν Α **(1)** If the auditor decided to use the work of an auditor's specialist (individual or organization with expertise in a field other than accounting or auditing), did the auditor evaluate whether the specialist had the necessary competence, capabilities and objectivity for the auditor's purposes? (AU-C 620.09 and GAGAS 3.79 CPE Requirements for Specialists) Did the auditor obtain a sufficient understanding of the field of expertise of the auditor's specialist to enable **(2)** the auditor to: i. determine the nature, scope and objectives of the work of the specialist for the auditor's purposes; ii. evaluate the adequacy of that work for the auditor's purposes? (AU-C620.10) Did the auditor have an agreement (not required to be written) with the auditor's specialist regarding: **(3)** the nature, scope, and objectives of the work of the auditor's specialist; ii. the respective roles and responsibilities of the auditor and the auditor's specialist; iii. the nature, timing, and extent of communication between the auditor and the auditor's specialist, including the form of any report to be provided by the auditor's specialist; iv. the need for the specialist to be independent of the audited agency; and the need for the auditor's specialist to observe confidentiality requirements? (AU-C 620.11) v. **(4)** Did the auditor evaluate the adequacy of the work of the auditor's specialist for the auditor's purposes, including: the relevance and reasonableness of the findings and conclusions of the auditor's specialist and i. their consistency with other audit evidence; obtaining an understanding of significant assumptions and methods used in the work of the ii. auditor's specialist, and the relevance and reasonableness of those assumptions and methods in the circumstances: and the relevance, completeness, and accuracy of source data that was significant to the work of the iii. auditor's specialist? (AU-C 620.12) If the auditor determined that the work of the auditor's specialist was not adequate for the auditor's **(5)** purposes, did the auditor: agree with the auditor's specialist on the nature and extent of further work to be performed by the auditor's specialist; or perform additional audit procedures appropriate in the circumstances? (AU-C 620.13) ii. **(6)** Regarding reference to the auditor's specialist in the auditor's report: i. did the auditor omit reference to the auditor's specialist in an unmodified opinion auditor's report; If the auditor made reference to the auditor's specialist in a modified opinion, did the auditor ii. indicate that such reference did not reduce the auditor's responsibility for that opinion? (AU-C 620.14-620.15) VI. AUDIT CONCLUSIONS AND REPORTING (AA) **Consistency of Financial Statements** Α Did the auditor evaluate whether the comparability of the financial statements between periods has been **(1)** materially affected by a change in accounting principle or by adjustments to correct a material misstatement in previously issued financial statements? (AU-C 708.05) If there was a change in accounting principles did the auditor determine whether: (a) the newly adopted **(2)** accounting principle is in accordance with the applicable financial reporting framework, (b) the method of accounting for the effect of the change is in accordance with the applicable financial reporting

section does not apply when the auditee uses the work of a specialist to assist management in preparing the financial

		ork, (c) the disclosures related to the accounting change are appropriate and adequate, and (d) the as justified that the alternative accounting principle is preferable? (AU-C 708.07)				
(3)	the audi	cable, if the change in accounting principle has a material effect on the financial statements did tor include an emphasis-of-matter paragraph in the auditor's report that describes the change in ing principle and provides a reference to the entity's disclosure? (AU-C 708.08)				
(BB)	Other	Information in Documents Containing Audited Financial Statements	37	N	N	W
(1)		is other information in documents of which the auditor is aware of did the auditor read the other tion in order to identify material inconsistencies, if any, with the audited financial statements? 720.06)	Y	N	A	P
(2)	governa all of th	cable, did the auditor make appropriate arrangements with management or those charged with nece to obtain the other information prior to the report release date. If it was not possible to obtain e other information prior to the report release date, did the auditor read such other information as practicable? (AU-C 720.07)				
(3)	with res	cable, did the auditor communicate with those charged with governance the auditor's responsibility spect to the other information, any procedures performed relating to the other information, and the (AU-C 720.08)				
(CC)	Supple	ementary Information in Documents Containing Audited Financial			N	W
	Staten		Y	N		P
(1)	to the fi met: (a account relates t statement supplem	to opine on whether supplementary information is fairly stated, in all material respects, in relation inancial statements as a whole, did the auditor determine that all of the following conditions are the supplementary information was derived from, and relates directly to, the underlying ing and other records used to prepare the financial statements; (b) the supplementary information to the same period as the financial statements; (c) the auditor issued an audit report on the financial nts that contained neither an adverse opinion nor a disclaimer of opinion; and, (d) the nentary information will accompany the entity's audited financial statements, or such audited all statements will be made readily available by the entity? (AU-C 725.05)				
(2)		e auditor obtain the agreement of management that it acknowledges and understands its ibility for the preparation of the supplementary information in accordance with applicable criteria? 725.06)				
(3)	whether statemen	ion, to the procedures performed during the audit of the financial statements, in order to opine on supplementary information is fairly stated, in all material respects, in relation to the financial nts as a whole, did the auditor perform the following procedures using the same materiality level the audit of the financial statements: (AU-C 725.07)				
	i.	Inquire of management about the purpose of the supplementary information and the criteria used by management to prepare the supplementary information, such as an applicable financial reporting framework, criteria established by a regulator, a contractual agreement, or other requirements.				
	ii.	Determine whether the form and content of the supplementary information complies with the applicable criteria.				
	iii.	Obtain an understanding about the methods of preparing the supplementary information and determine whether the methods of preparing the supplementary information have changed from those used in the prior period and, if the methods have changed, the reasons for such changes.				
	iv.	Compare and reconcile the supplementary information to the underlying accounting and other records used in preparing the financial statements or to the financial statements themselves.				

		financial statements.				
	vii.	Obtain written representations from management that it acknowledges its responsibility for the presentation of the supplementary information in accordance with the applicable criteria.				
(DD)	Requi	red Supplementary Information	Y	N	N A	W
(1)	Did the 730.05):	auditor apply the following procedures to the required supplementary information? (AU-C				
	i.	Inquire of management about the methods of preparing the information, including (i) whether it has been measured and presented in accordance with prescribed guidelines, (ii) whether methods of measurement or presentation have been changed from those used in the prior period and the reasons for any such changes, and (iii) whether there were any significant assumptions or interpretations underlying the measurement or presentation of the information.				
	ii.	Compare the information for consistency with (i) management's responses to the foregoing inquiries, (ii) the basic financial statements, and (iii) other knowledge obtained during the audit of the basic financial statements.				
	iii.	Obtain written representations from management (i) that management acknowledges its responsibility for the required supplementary information; (ii) about whether the required supplementary information is measured and presented in accordance with prescribed guidelines; (iii) about whether the methods of measurement or presentation have changed from those used in the prior period and, if so, the reasons for such changes; and (iv) about any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information.				
(EE)	Other A	udit Conclusions and Reporting				
Cont	rol Over	ook Report - (Required on all New Mexico Audits of Government Agencies) - Report on Internal Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial formed in Accordance with Government Auditing Standards -	!	YN	N N A	
]	Regarding	g Findings reported in the Yellow Book Report				
(e all findings identified in the working papers included in the audit report as required by Section $2.10(R)(2)NMAC$?				
(repo	Finding is related to both internal control over financial reporting and to compliance, did the auditor at the finding in both sections of the report? (AAG- GAS 4.58) The answer to this question should be over "N/A" since this presentation is allowed and not required.				
(acts)	e work papers documented instances of fraud and noncompliance with laws and regulations (illegal, did the auditor include those in the report in the "compliance and other matters" section? (AAG-4.30, Table 4-1 for material items noted, Section 2.2.2.10 (I)(1))				
			<u> </u>			

Inquire of management about any significant assumptions or interpretations underlying the

Evaluate the appropriateness and completeness of the supplementary information, considering

the results of the procedures performed and other knowledge obtained during the audit of the

measurement or presentation of the supplementary information.

v.

vi.

VII. OTHER-THAN-GAAP FRAMEWORK

(FF)	Special Consideration - Audits of Single Financial Statements and Special Elements, Accounts, or Items of a Financial Statement	Y	N	N A	W P
(1)	If the auditor audited a single financial statement or specific element of the financial statement did the auditor obtain an understanding of (a) the purpose of the single financial statement or specific element of a financial statement; (b) the intended users; and (c) the steps taken by management to determine that the application of the financial reporting framework is acceptable in the circumstances? (AU-C 805.10)				
(2)	Did the auditor consider whether the application of the financial reporting framework will result in a presentation that provides adequate disclosures to enable the intended users to understand the information conveyed in the financial statement or the specific element and the effect of material transaction and events on the information conveyed in the financial statement or the specific element? (AU-C 805.11)				
(3)	If the auditor audited a single financial statement or specific element of the financial statement did the auditor adapt all AU-C sections relevant to the audit as necessary in the circumstance of the engagement? (AU-C 805.12)				
(4)	When forming an opinion and reporting on a single financial statement or a specific element of a financial statement, did the auditor apply the requirements in section 700, Forming an Opinion and Reporting on Financial Statements, adapted as necessary in the circumstances of the engagement? (AUC 805.15)				
VIII.	RESTRICTING THE USE OF AN AUDITOR'S REPORT	Г			N
			Y		A
(GG)	Restricting the Use of an Auditor's Report	L		_	
	(1) If there is a restriction on the use of the auditor's report did the auditor include an alert, in a separate paragraph, that restricts its use when the subject matter of the auditor's written communications is based on (a) measurement or disclosure criteria that are determined by the auditor to be suitable only for a limited number of users who can be presumed to have an adequate understanding of the criteria; (b) measurement or disclosure criteria that are available only to the specified parties; or (c) matters identified by the auditor during the course of the audit engagement when the identification of such matters is not the primary objective of the audit engagement? (AU-905.06)	; ;			
IX. OVE	ERALL CONCLUSIONS				
(1)	Is the audit documentation a sufficient and appropriate record of the basis for the auditor's opinion? (AU-C 230.05(a))				
i.	Does the audit documentation demonstrate that the audit was planned and performed in accordance with GAAS, GAGAS, 2.2.2 NMAC (Audit Rule), and applicable legal and regulatory requirements? (AU-C 230.05(b))				
(2)	Did the auditor prepare documentation sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the significant professional judgments made in reaching conclusions on significant findings or issues arising during the audit? (AU-C 230.08)				
(3)	Did the auditor obtain sufficient appropriate audit evidence to reduce audit risk to an acceptably low level and thereby enable the auditor to draw reasonable conclusions on which to base the auditor's opinion? (AU-C 200.19)	+			
(4)	Did the auditor achieve the overall objective of each applicable AU-C section relevant to the audit? (AU-C 200.23 and .24)				

(5)	Did the auditor comply with generally accepted auditing standards (GAAS) by performing all applicable "must" requirements and documenting any rare instance when he or she did not follow a "should" requirement because it would have been ineffective in achieving the intent of the requirement? (AU-C 200.25 and .26)
(6)	Add additional comments here. These could be overall impressions, difficulty with IPA personnel, difficulty with workpaper organization, etc OSA reserves the right to look at anything related to this engagement, including subjects and documents not specifically addressed in this guide.

X. SINGLE AUDIT

GENERAL PRINCIPLES AND RESPONSIBILIITIES AND RISK ASSESSEMENT

A.	Eng	agement Letter for the Single Audit	Y	N	N A	W P
	(1)	Does the engagement letter include the schedule of expenditures of federal awards as supplementary information that will be subjected to auditing procedures? (Section 2.2.2.10 (A)(2)(c) and AU-C 725 and AAG-GAS 3.07).	1	1	71	
	(2)	Does the "Audit Objectives" section of the engagement letter include wording similar to the following: "The objective also includes reporting on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with Uniform Guidance?" (AAG-GAS 6.09).				
	(3)	Does the "Audit Procedures - Internal Controls" section of the engagement letter include a paragraph that says something to the effect that "As required by Uniform Guidance we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Uniform Guidance." (AAG-GAS 6.09).				
	(4)	Does the "Audit Procedures-Compliance" section of the engagement letter include a paragraph to the effect that "Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the <i>Uniform Guidance Compliance Supplement</i> for the types of compliance requirements that could have a direct and material effect on each of the agency's major programs. The purpose of these procedures will be to express an opinion on the agency's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance." (AAG GAS 6.09).				
	(5)	Does the "Audit Administration, Fees, and Other" section of the engagement letter clarify that the auditors will complete the appropriate sections of, and sign, the Data Collection Form that summarizes the auditor's audit findings?				
	(6)	Does the "Audit Administration, Fees, and Other" section of the engagement letter clarify whose responsibility it is to submit the reporting package (including the financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse?				
В.	Hav	ining the Entity to be Audited by the Single Audit re all known federal awards, including those of component units been included in the audit? If not, have rired audits been performed that cover the excluded awards? (2 CFR 200.501 and AAG-GAS 6.15).				
C.	-	nning				
	(1)	Does the audit documentation show that the auditor gathered the following types of information about the entity's federal programs while gaining an understanding of the entity and its environment and performed the risk assessment required by standards?				
	i.	Did the auditor obtain from the client, predecessor auditor, or determine for him/herself the following information regarding the agency's federal programs: CFDA number; name of program; name of grant; grant I.D. No.; award amount; and the last year each program was audited? (PPC forms <u>GSA-CX-1.5</u> , <u>Single Audit and Major Program Determination Worksheet</u> , and <u>GSA CX-3.4</u> , <u>Audit Inquiries Summary Form</u> are examples of forms that can be used to document some of this information.)				
	ii.	Did the auditor review the prior-period findings and questioned costs and corrective action plan?				
	iii.	Did the auditor review correspondence the agency received from program officials looking for potential federal award problems, or requirements that a program be audited as major each year? (2 CFR 200.518).				

	iv. I	Did the auditor inquire about any changes to federal programs and any new federal programs?		
		Whether the entity is a low risk entity – A low risk entity is one that met all of the following requirements a each of the two previous years (2 CFR 200.520):		
	•	single audit or program-specific audits were performed on an annual basis in accordance with Uniform Guidance, including submitting the data collection form and the reporting package to the FAC timely (2 CFR 200.512);		
		• the auditor's opinions on the financial statements and the schedule of expenditures of federal awards were <u>unmodified</u> ;		
	,	• the Yellow Book report <u>did not identify any deficiencies</u> in internal control that were <u>identified as material weaknesses</u> ;		
	•	• the auditor did not report a substantial doubt about the auditee's ability to continue as a going concern;		
	,	• none of the federal awards had any of following audit findings in either of the preceding two years in Type A programs: (a) internal control deficiencies identified as material weaknesses; (b) a modified opinion on a major program in the auditor's report on major programs; or (c) known or likely questioned costs that exceeded 5% of the total federal awards expended		
D.	determ	Program Determination Worksheet (Examples of PPC forms that can be used for major program ination are: <u>GSA-CX-1.5</u> , <u>Single Audit and Major Program Determination Worksheet</u> , <u>GSA-CX-1.6</u> , isk Federal Program Determination Worksheet, and <u>GSA-CX-1.7</u> , <u>High-risk Federal Program</u>		
		nination Worksheet)		
	· ·	1) If the agency has a loan and/or loan guarantee program that exceeds four times the largest non-loan program, was the related program treated as a Type A program and then its value excluded in determining the other Type A programs? (2 CFR 200.518(b)(3) and AAG-GAS ¶ 8.06).		
	(2	2) Did auditor identify/label as Type A programs the federal programs or cluster of programs with expenditures of federal awards during the audit period exceeding the larger of (2 CFR 200.518(b) and AAG-GAS 8.03):		
		i. \$750,000 or 3 percent (.03) of total federal awards expended when total federal awards expended were \$750,000 to \$100 million;		
		ii. \$3 million or three-tenths of one percent (.003) of total federal awards expended when total federal awards expended were from \$100 million through \$10 billion; or		
		iii. \$30 million or 15 hundredths of one percent (.0015) of total federal awards expended when total federal awards expended \$10 billion?		
	(3	B) Federal awards expended for purposes of determining type A and type B programs are the amount of cash and noncash awards, after all adjustments are made, in the final current-year schedule of expenditures of federal awards (SEFA), including the notes. If the auditor used the prior-year SEFA or preliminary current-year estimates, did he/she recalculate the threshold for type A programs based on the final amounts in the SEFA? (AAG-GAS ¶ 8.03)		
	(4	Did the auditor consider all the programs in a cluster as "one program" for purposes of determining major programs? (2 CFR 200.518(b)(3) and AAG-GAS 8.03). A cluster of programs means a grouping of closely related programs that share common compliance requirements. Types of clusters are described as research and development (R&D), student financial aid (SFA), and other clusters as defined by the OMB in the compliance supplement or as designated by a State for Federal awards the State provides to its sub-recipients that meet the definition of a cluster of programs (2 CFR 200.17).		
	(5	Does the audit documentation show that the auditor determined programs to be low risk type A programs if they met both of the following conditions: (a) the program was audited as a major program in at least one of the two most recent audit periods; and (b) in the most recent audit period, the program did not have internal control deficiencies which were identified as material weaknesses or a modified opinion on the program; or (C) known or likely questioned costs that exceed 5% of the total federal awards expended for the program. (2 CFR 200.518(c), 2 CFR 200.519 and AAG-GAS 8.09-8.13).		

	1	If the auditor identified a Type A program as low risk and the program had audit findings in the most recent audit, did the audit documentation include the basis for the auditor's judgment that such findings did not preclude a Type A program from being low risk? (2 CFR 200.518(c); 2 CFR 200 518(e)(3)(g) and AAG-GAS 8.09-8.13).				_
	1	The auditor is not required to identify more high-risk Type B programs than at least one fourth the number of low-risk Type A programs. Did the auditor perform risk assessments on Type B programs that exceed 25% (0.25) of the Type A threshold? (2 CFR 200.518(d) and AAG-GAS 8.1415).				-
		Did the auditor select for audit the following as major programs (2 CFR 200.518(e), and AAG-GAS 8.16):				_
	i.	All type A programs not identified as low risk?				-
	ii.	All Type B programs identified as high-risk?				-
	iii.	Such additional programs as may be necessary to comply with the percentage of coverage rule. This may require the auditor to audit more programs as major programs than the number of Type A programs. The percentage of coverage rule is as follows (2 CFR 200.518(f) and AAG-GAS 8.17): a. If the auditee meets the criteria in 2 CFR 200.520 Criteria for a low-risk auditee, the auditor need only audit the Type A high-risk and Type B high risk programs and such additional Federal programs with Federal awards expended that, in aggregate, all major programs encompass at least 20% (0.20) of the total Federal awards expended. b. Otherwise, the auditor must audit such additional Federal programs with Federal awards expended that, in aggregate, all major programs encompass at least 40% (0.40) of the total Federal awards expended.				
E.	Materiali	ty Planning and Compliance Supplement	Y	N	N V A P	
	audit effect Mater entity that for	the auditor document consideration of materiality in relation to each major program in designing tests and developing an opinion on compliance, with requirements having a direct and material to on each major program? (AAG-GAS 10.1012) (The PPC form GSA-CX-2.1, Planning riality - Federal Award Programs, is an example of documenting materiality for opining on the strong compliance having a direct and material effect on each major program. The PPC form states for grant programs, materiality (tolerable noncompliance) is generally considered to be 5% of total diprograms expended.) (AU-C 935.A6A8).				_
F.	Internal (Control and Fraud Risk Assessment for Federal Programs (AU-C 315 and 240)	Y	N	N V A P	
	i (I (Does the audit documentation show the auditor's risk assessment procedures (inquiry, observation, inspection) performed in gaining an understanding of internal control over compliance? (AAG-GAS 9.60). (This documentation may be combined with the performance of similar procedures performed to obtain an understanding of the internal controls over financial reporting). (PPC forms GSA-CX-4.1, Understanding the Design and Implementation of Internal Control – Federal Awards Programs and GSA-CX-5.1 Internal Control System-Federal Award Programs provide examples of now to document the entity-wide controls separately for the federal awards.)				
	i 1	Did the auditor document fraud risk factors related to federal programs in: (1) documentation of inquiries of a governing body representative, management, and other employees regarding fraud risks related federal programs; (2) documentation of federal program fraud risk factors noted (using memorandums or forms like PPC's GSA-CX-6.2, Fraud Risk Factors and GSA-CX-6.1, Entity Risk Factors)?				_
	s 1 t	Did documentation of the discussion among the audit team include: (a) discussion of the susceptibility of the major programs to direct and material noncompliance with the compliance requirements; (b) how and when the discussion occurred; the subject matter discussed; and the audit team members who participated; and significant decisions reached concerning planned responses to compliance requirements? (AAG-GAS 9.60).				
				1		_

(4) Di	d the auditor document key elements in the internal controls over compliance? (AAG-SLA 9.60).		\top		1
(5) Do pro de to rec	bes the audit documentation show that the auditor evaluated whether the key controls were operly designed? Did the auditor write findings for key internal controls that were not properly signed? For key controls that were not properly designed did the auditor assess control risk related the requirement(s) at the maximum and consider whether additional compliance tests were quired? (2 CFR 200.514(c), AAG-GAS 9.17).				
for	r <u>all</u> the key controls that the auditor determined were suitably designed for each major program? re the results of the procedures also documented? (AU-C 330 and AAG-GAS 9.61).				
no AA Pr rel Sy.	ote: The auditor must plan tests of controls to support a low assessed level of control risk of incompliance. However, such a level may not be achieved. (2 CFR 200.514(c)(2) and (c)(3), and AG-GAS 9.16). The PPC form GSA-CX-9.1 Tests of Controls-Sampling Form for Federal Award cograms is an example of documentation of sampling for Single Audit tests of controls, and the lated conclusions drawn from the tests. In addition, the PPC form GSA-CX-5.2, Internal Control stem Matrix – Federal Award Programs, when completed for each applicable compliance quirement, is an example of documenting tests of controls at the compliance requirement level.)				
(A No	d the auditor document the assessment of risk of noncompliance at the major program level? AG-GAS 9.26 and AU-C 315.A13). See Part I of the PPC form <i>GSA-CX-7.3, Risk of Material oncompliance Assessment Worksheet-Federal Award Programs</i> for an example of this type of cumentation.	•		•	Ī
	i. If the auditor did not identify improper revenue recognition for federal awards as a risk of material misstatement due to fraud, are the reasons supporting the auditor's conclusion documented in the working papers? (AU-C 315).				
ii	i. Does the audit documentation show that the auditor planned and performed audit procedures to address the risk of management override of controls for federal programs, by performing audit procedures like testing adjusting journal entries near the end of the fiscal period? (AU-C 315.A54).				
lev co the	d the auditor document the assessment of risk of noncompliance at the compliance requirement wel for each compliance requirement applicable to each major program taking into consideration ntrol risk and inherent risk (AU-C 315)? (AAG-GAS 9.51 and AU-C 314.122(c)) See Part II of a PPC form GSA-CX-7.3, Risk of Material Noncompliance Assessment Worksheet-Federal Award cograms for an example of this type of documentation.				
(A As (10) Di	d the auditor document his or her responses to the assessed risks of material noncompliance? AG-GAS 9.61). See Part II of the PPC form GSA-CX-7.3, <i>Risk of Material Noncompliance sessment Worksheet, Federal Award Programs</i> for an example of this type of documentation. d the auditor document the indirect cost rate, whether negotiated or de minimis (10%)? Does this the match the disclosure on the SEFA in the issued financial statements? (2 CFR 200.214(f)).				
OSA REVIEWER'S Co	ONCLUSION FOR SINGLE AUDIT SECTION ONLY – Does the audit documentation show				
(1) C	Obtained an understanding of the entity's fraud and control risk factors over its federal programs;		Τ		1
	Occumented the key internal controls over major federal programs and tested whether all the key internal controls were properly designed;		\dagger		_
	assessed the risk of material noncompliance for each major federal program at the applicable ompliance requirement level;		T		
(4) C	Correctly determined the major federal programs for the entity.				

anti	ive Tests, Performance of Substantive Tests, and Conclusions (Audit Evidence)		
(1)	Does the audit program demonstrate the auditor's response to the assessed risk at the applicable compliance requirement level for each major federal program? Did the audit program include extended audit procedures in the areas that the auditor documented as being "higher" risk areas? (AU-C 935.15-22).		
(2) i	If the agency being audited passed through federal funds to a sub-recipient, did the pass-through agency inform the sub recipient of the necessary data elements as required by 2 CFR 200.331(a)? This includes the following information: Federal award identification;		
ii			
iii			
iv	An approved federally recognized indirect cost rate negotiated between the sub-recipient and the Federal Government or a de Minimis indirect cost rate as defined at 2 CFR 200.414(f);		
	to the sub recipient's records and financial statements;		
vi.			
(3)	If the agency being audited passed through federal funds to a sub-recipient, did the pass-through agency perform a risk assessment on the sub-recipient as required by 2 CFR 200.331(b)?		
(4)	If the agency being audited passed through federal funds to a sub-recipient, did the pass-through agency monitor and ensure sub-recipient compliance as required by 2 CFR 200.331(d)?		
(5)	Did the auditor document the procedures performed to test compliance with the applicable		
(6)	compliance requirements and the results of those procedures? (AAG-GAS 9.61).		
(6)	Does audit documentation show that the auditor followed up on prior audit findings, performed procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and reported as a current year finding those instances where the auditor concluded that the summary schedule of prior audit findings materially misrepresented the status of any prior audit finding (if applicable)? (2 CFR 200.514(e) and AAG-GAS 10.64-10.65).		
(7)	program transactions used for testing of compliance of major program transactions? (PPC form GSA-CX-8.2, Test of Compliance – Sampling Planning and Evaluation Form for Federal Award Programs is an example of documentation of a sample selection.)		
	i. Were all items selected for testing specifically identified?		
	ii. Did the auditor document (a) the population to be tested, and was the sample selected in such a way that it could be expected to be representative of the population; (b) the objective of the procedure (directly on the work paper or by reference to the specific audit program step); and (c) whether the performance of the statistical or nonstatistical sampling procedure met the objective that the auditor was attempting to achieve? (AU-C 530.0608).		
	iii. If the sample results showed a higher number of deviations than was consistent with the auditor's assessed levels of inherent and control risk, did the auditor change his risk assessments, and consider whether to modify other audit tests that were designed based upon the old inherent and control risk assessments? (AU-C 530.14).		
	iv. Were the misstatements in the sample projected to the population from which the sample was selected? (AU-C 530.13). Was the projected misstatement compared with the tolerable misstatement for the account balance or class of transactions? (AU-C 530.A24A25) (A PPC form that is an example of this type of "projection" is GSA-CX-8.2, Sampling Planning and Evaluation Form - for Federal Ward Programs)		

	 (8) Did the auditor document the accumulation of audit differences by program, detected by non-sampling substantive procedures and projected audit differences from substantive procedures that used sampling? Was the materiality evaluation made at the major program level for opining on the entity's compliance with requirements having a direct and material effect on a major program? (PPC form GSA-CX-11.2, Noncompliance Evaluation Form – Federal Award Programs, is an example of this documentation of accumulation of audit differences and evaluation. Note that a different PPC form must be used for each major program.) (9) Does the audit documentation provide sufficient evidence of compliance testing including tests of controls, substantive testing, or as a combination of the two, and other audit procedures sufficient to support an opinion on compliance for each major program? (AAG-GAS 10.39 –.42) (10) Did the auditor test the agency's procurement standards to ensure they comply with Uniform Guidance? (2 CFR 200.318) 		
	EVIEWER'S CONCLUSION FOR SINGLE AUDIT SECTION ONLY – Does the audit documentation at the auditor:		
	(1) Prepared an audit program based on the current Compliance Supplement that was tailored to fit the auditor's assessed risk at the compliance requirement level, for the agency's major federal programs;		
	(2) Properly documented selections for nonsampling substantive procedures and sampling procedures;		
	(3) Properly evaluated the sufficiency and appropriateness of audit evidence obtained; and		
	(4) Supported the auditor's opinion regarding whether the auditee complied, in all material respects (or did not comply) with the types of compliance requirements in the Compliance Supplement that were applicable and material to each of the major federal programs.		
Н.	Schedule of Expenditures of Federal Awards - Does the audit documentation contain evidence that the auditor:		
	(1) Performed procedures to determine that the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the entity's financial statements taken as a whole? (AAG-GAS 5.05).		
	(2) If the auditor identified deficiencies in internal control that relate to the auditee's preparation of a complete and accurate schedule, did the auditor evaluate the severity of each deficiency in internal control and determine whether the deficiency, individually or in combination, is a significant deficiency or material weakness relating to internal control over financial reporting, internal control over compliance, or both. (AAG-GAS 7.16).		
	(3) Determined that the entity properly disclosed the basis of accounting and the significant accounting policies used in preparing the Schedule? (AAG-GAS 7.20)		
I.	Federal Award Findings		
	(1) Did the auditor report <u>only</u> the following types of findings in the component of the Schedule of Findings and Questioned Costs used to report findings for Federal Awards and in the Report on Compliance for each Major Federal Program and on Internal Control over Compliance required by 2 CFR 200? (2 CFR 200.516 and AAG-GAS 13.38).		
	i. Findings listed at 2 CFR 200.516(a)		1
	a. Significant deficiencies and material weaknesses in internal controls over major programs and significant instances of abuse relating to major programs.		
	b. Material noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program (in relation to a type of compliance requirement for a major program or an audit objective		
	identified in the Compliance Supplement).	$\perp \mid \perp \mid$	_
	c. Known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program. (Known questioned costs are those specifically identified by the auditor.) The auditor must also report known questions costs		

	when <i>likely</i> questioned costs are greater than \$25,000 for a type of compliance requirement for a major program.		
d.	Known questioned costs that are greater than \$25,000 for Federal programs that are not audited as major.		
e.	The circumstances concerning why the auditor's report on compliance for each major program is other than an unmodified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs for federal awards (for example a scope limitation that is not otherwise reported as a finding).		
f.	Known or likely fraud affecting a Federal award, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for federal awards.		
g.	Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresent the status of any prior audit finding.		
	itor report all conditions identified in the audit documentation that met any of the dentified in 2 CFR 200.516(a) above, as federal findings and questioned costs?		
action plan arrive at a m	lings presented in sufficient detail and clarity for the auditee to prepare a corrective and take corrective action, and for Federal agencies and pass-through entities to an agement decision, including the following information (2 CFR 200.516(b), AAG-and Section 2.2.2.10(I)(3)(c) NMAC):		
i. Fede numb name	ral program and specific Federal award identification including the CFDA title and per, Federal award identification number and year, name of Federal agency, and of applicable pass-through entity;		
	criteria or specific requirement upon which the audit finding is based; condition found;		
iv. A sta	tement of cause that identifies the reason or explanation for the condition;		
vi. Ident must	possible asserted effect; ification of questioned costs and how they were computed (known questioned costs be identified by applicable CFDA number(s) and applicable Federal award ification number(s));		
vii. Infor of the	mation to provide proper perspective for judging the prevalence and consequences a audit findings, such as whether the audit findings represent an isolated instance or		
unive	stemic problem. Where appropriate, instances identified must be related to the erse and the number of cases examined and be quantified in terms of dollar value.		
viii. Ident	auditor should report whether the sampling was a statistically valid sample; ification of whether the audit finding was a repeat of a finding in the immediately		
	audit and, if so, any applicable prior year audit finding numbers; mmendations to prevent future occurrences of the deficiency identified in the audit		
	rs of responsible officials of the auditee.		
(4) Are the que	estioned costs and how they were computed identified in the finding? (2 CFR 6); AAGGAS 13.41f)		
i. the iii. the iii. the iv. the	ving information included in the federal findings: federal programs and awards specifically identified; Catalog of Federal Domestic Assistance (CDFA) title and number; federal award number and year; name of federal agency; and		
v. the	name of applicable pass-through entity?		
did the audi	mation such as the CFDA title and number or federal award number is not available, tor provide the best information available to describe the federal award? (2 CFR AG-GAS 13.41).		

detected material instances of nor modified opinion on compliance each major program and on inter-	ncompliance with requirements applicable to a major program incompliance with those requirements, did the auditor express a se in the report on compliance with requirements applicable to nal control over compliance? (AU-C 705, AAG-GAS 13.22).	
	Schedule of Findings and Questioned Costs (AAG-GAS schedule titled as such in the report and does the schedule n?	
	dings and Questioned Costs begin with a Summary of ontaining the following elements?	
unmodified opinion, qualifie	or issued on the financial statements of the auditee (that is, ed opinion, adverse opinion, or disclaimer of opinion)?	
	ther or not any significant deficiencies in internal control of the financial statements and whether any such conditions	
(c) A statement regarding whet material to the financial state	her or not the audit disclosed any non-compliance that is ements?	
	ther or not significant deficiencies in the internal control disclosed by the audit and whether any such deficiencies	
unmodified opinion, qualifie	litor issued on compliance for major programs (that is, ed opinion, adverse opinion, or disclaimer of opinion)?	
(f) A statement regarding wheth required to report under 2 C	ner the audit disclosed any audit findings that the auditor is FR 200.516.	
(g) Is there an identification of or cluster of programs?	major programs by listing each individual major program	
type B programs as describe	he dollar threshold used to distinguish between type A and din 2 CFR 200.518(b)(1) or (b)(3)?	
(i) Is there a statement on wheth 200.520?	her the auditee qualified as a low-risk auditee under 2 CFR	
REVIEWER'S CONCLUSION for SINGLE AUDIT the audit report show that the auditor:	<u>T SECTION ONLY</u> – Does the audit documentation and	
(1) Included all the required information in the federal	award findings per 2 CFR 200.516, Audit Findings;	
Audit Findings;	wed types of federal award findings per 2 CFR 200.516,	
provisions of contracts or grant agreements which auditor's audit procedures and related audit documents.		
control over major programs", "Significant in noncompliance with the provisions of Federal awards related to a major program" in the Rej	ignificant Deficiencies or Material Weaknesses in internal stances of abuse relating to major programs", or "Material statutes, regulations, or the terms and conditions of Federal port on Compliance With Requirements That Could Have r Program and on Internal Control Over Compliance in	

XI. REVIEW COMPLETION CHECKLIST

	AU-C Section	Standard is applicable to this audit- Y or N or Not Significant	Auditor complied with this Standard Y or N or N/A	Review Guide Page Reference	Deficiencies
	II. GENERAL PRINCIP	LES AND RESPON	SIBILITIES		
(A)	AU-C 200 – Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Generally Accepted Auditing Standards (GAAS)			5-6	#Significant deficiencies #Less-than- significant
(B)	AU-C 230 Audit Documentation			6	#Significant deficiencies #Less-than- significant
(C)	AU-C 240 Consideration of Fraud in a Financial Statement Audit			6-7	#Significant deficiencies #Less-than- significant
(D)	AU-C 250 Consideration of Laws and Regulations in an Audit of Financial Statements			7-9	#Significant deficiencies #Less-than- significant
(E)	AU-C 260 The Auditor's Communication With Those Charged With Governance			9-10	#Significant deficiencies #Less-than- Significant
(F)	AU-C 265 Communicating Internal Control Related Matters Identified in an Audit			10-11	#Significant deficiencies #Less-than- significant
(IX)				42-43	#Significant deficiencies #Less-than- significant
	III. RISK ASSESSMENT AND	RESPONSE TO A	SSESSED RISKS	3	
(G)	AU-C 300 Planning an Audit			11-12	#Significant Deficiencies #Less-than- significant
(H)	AU-C 315 Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement			12-13	#Significant Deficiencies #Less-than- significant
(I)	AU-C 320 Materiality in Planning and Performing an Audit			13-14	#Significant deficiencies #Less-than- significant

(J)	AU-C 330 Performing Audit Procedures in Response to Assesse Risks and Evaluating the Audit Evidence Obtained	14	#Significant deficiencies
			#Less-than- significant
(K)	AU-C 402 Audit Considerations Relating to an Entity Using a Service Organization	15	#Significant deficiencies
			#Less-than- significant
(L)	AU-C 450 Evaluation of Misstatements Identified (Applicable only if misstatements are identified by the auditor)	15	#Significant deficiencies
			#Less-than- significant
	IV. AUD	IT EVIDENCE	
(M)	AU-C 500 Audit Evidence	16-30	#Significant deficiencies
			#Less-than- significant
(N)	AU-C 501 Audit Evidence	16-30	#Significant deficiencies
,			#Less-than- significant
	AU-C 510 Opening Balances – Initial audit Engagements, Including Reaudit Engagements	31	#Significant deficiencies
(O)			#Less-than- significant
(P)	AU-C 520 Analytical Procedures	31	#Significant deficiencies
			#Less-than- significant
(Q)	AU-C 530 Audit Sampling (Applicable when the auditor is designing an audit sample)	31-32	#Significant deficiencies
			#Less-than- significant
(R)	AU-C 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	26-32	#Significant Deficiencies
			#Less-than- significant
(S)	AU-C 550 Related Parties	32-33	#Significant deficiencies
			#Less-than- significant
(T)	AU-C 560 Subsequent Events and Subsequently Discovered Facts (applicable if the agency had subsequent issues)	33	#Significant deficiencies
			#Less-than- significant
(U)	AU-C 570 The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern (applicable if this is an issue for the agency)	33	#Significant deficiencies
			#Less-than- significant

(ND)	ALLC 500 Written Depresentations	2	2 26	# Significant
(V)	AU-C 580 Written Representations		3-36 #	#Significant deficiencies
			7	#Less-than- significant
(W)	AU-C 585 Consideration of Omitted Procedures After the		36 #	# Significant
	Report Release Date (if applicable)			deficiencies
				# Less-than-
				significant
	V. USING THE	WORK OF OTHERS		
(X)	AU-C 600 Special Considerations – Audits of Group Financial	30	6-37 #	# Significant
	Statements (Including the Work of Component Auditors) –			deficiencies
	(Applicable if the audit firm for a component unit is different from the audit firm of the primary government)			# Less-than-
	nom the addit min of the primary government)		'	significant
(Y)	AU- C 610 The Auditor's Consideration of the Internal Audit		38 #	#Significant
	Function in an Audit of Financial Statements (Applicable if the agency has an internal audit function)			deficiencies
	agency has an internal audit function)		7	# Less-than-
				significant
(Z)	AU-C 620 Using the Work of an Auditor's Specialist (Applicable if the audit firm used an internal specialist or an	33	8-39 #	Significant deficiencies
	external specialist)			deficiencies
	•		7	#Less-than-
	VI AUDIT CONCLI	JSIONS AND REPORTING		significant
	VI. AUDIT CONCE	OSIONS AND REPORTING		
(AA)	AU-C 708 Consistency of Financial Statements	39	9-40 #	#Significant
				Deficiencies
			7	#Less-than-
			10	significant
(BB)	AU-C 720 Other Information in Documents Containing Audited Financial Statements		40 #	#Significant Deficiencies
	Audited I maneral statements			
			7	#Less-than-
(CC)	AU-C 725 Supplementary Information in Relation to the	1	0-41 #	significant #Significant
(CC)	Financial Statements as a Whole		7-41	Deficiencies
			7	#Less-than- significant
(DD)	AU-C 730 Required Supplementary Information		41 #	#Significant
				Deficiencies
& (FF)				# Less-than-
(EE)				significant
	VII. OTHER-THA	N-GAAP FRAMEWORK		
(FF)	AU-C 805 Special Considerations – Audits of Single Financial		42 #	# Significant
(FF)	Statements and Specific Elements, Accounts, or Items of a		T ∠ †	Deficiencies
	Financial Statement			
			7	#Less-than- significant
				significant
	•	•	·	

	VIII. RESTRICTING THE U	JSE OF THE AUDIT	OR'S REPORT		
(GG)	AU-C 905 Restricting the Use of an Auditor's Report			42	#Significant Deficiencies
					#Less-than- significant
	X. SIN	NGLE AUDIT			
AU-C 935 Compliance Audits (Uniform Guidance)				44-52	#Significant Deficiencies
					#Less-than- significant

Conclusion:

(II) In the category of "general principles" we tested applicable areas and found significate deficiencies and less-than-significant deficiencies.
(III) In the category of "risk assessment and response to assessed risks" we testedapplicable areas and found significant deficiencies and less-than-significant deficiencies.
(IV) In the category of "audit evidence" we testedapplicable areas and found significant deficiencies and less-than-significant deficiencies.
(V) In the category of "using the work of others" we testedapplicable areas and found significant deficiencies and less-than-significant deficiencies.
(VI) In the category of "audit conclusions and reporting" we tested applicable areas and found significant deficiencies and less-than-significant deficiencies.
(VII) In the category of "other-than-GAAP framework" we tested applicable areas and found significant deficiencies and less-than-significant deficiencies.
(VIII) In the category of "restricting the use of an auditor's report" we tested applicable areas and found significant deficiencies and less-than-significant deficiencies.
(IX) In the category of "overall conclusions" we tested applicable areas and found significant deficiencies and less-than-significant deficiencies.
(X) In the category of "Single Audit" we found significant deficiencies and less-than-significant deficiencies.
REVIEWER SUPERVISOR
DATE