



Georgia Department of Audits and Accounts

**RESA Engagement Training
June 20, 2013
Presented by: Amy Rowell, CPA**

OVERVIEW

- **Changes to Process**
- **Engagement Letter**
- **Due Dates**
- **Request List and Engagement Packet**

FY 2013 Changes

- RESAs will receive an Agreed-Upon Procedures engagement.
- Engagement previously performed by State Government Division of the Department of Audits.
- Education Audit Division:
 - The required worksheets are similar to those provided to School Districts.
 - No travel for the auditors. The auditor will be from a regional office in your area.
 - DOAA is striving for increased communication between DOAA, GDOE, and SAO.

RESA Assignments

- Athens Office – Darlene McConnell 706-227-7283
 - Northeast Georgia
 - Pioneer
- Atlanta Office – Willie Moody 404-651-8781
 - Griffin
 - Oconee
- Augusta Office – Tracy Branch 706-651-7416
 - Central Savannah River
- Calhoun Office – Genevieve Silvia 706-624-1327
 - North Georgia
 - Northwest Georgia

RESA Assignments

- Douglas Office – Travis Hardee 912-389-4086
 - Coastal Plains
 - Okefenokee
- Leesburg Office – Kenneth Knight 229-759-3005
 - Chattahoochee Flint
 - Southwest Georgia
- Macon Office – Amanda Bibby 478-471-2084
 - Heart of Georgia
 - Middle Georgia



RESA Assignments

- Statesboro Office – Caroline James 912-486-7276
 - First District
- Villa Rica Office – Jennifer Thomas 770-459-6578
 - Metro
 - West Georgia

ENGAGEMENT LETTER

- Details understanding between the auditor and the client regarding the terms and objectives of the agreed upon procedures engagement.
 - specifically what the auditors will be testing
 - intent of the report
 - indicates what the RESAs will provide
 - addresses confidentiality
 - records retention

DUE DATES

- Salary and Travel report (CS-1) – August 16, 2013
- DE0046 to GDOE – September 13, 2013
- Engagement Packet Worksheets – September 13, 2013
- AHIS File to DOAA – September 13, 2013

REQUEST LIST

- Listing includes most items the auditors will need for the engagement.
- Includes the following information:
 - Whom the information is requested
 - Date the information is requested
 - Date the information is received
 - Status of the request
- Our auditors will keep this list updated and current, it is recommended that you maintain a copy for your records as well.

Cash and Investments

- CASH –
 - Bank Account Listing – complete and include every account held by your RESA.
 - Authorization for Release of Information – may need to be sent to each bank so they will release the information to the auditors.
 - Collateralization Inquiry – form the RESAs will send to their banks to obtain information necessary for Cash Note Disclosure in the CAFR.
 - Cash Note – information that will be reported in the State CAFR.
 - Procedure: The Auditors will perform a review of your monthly bank reconciliations to determine accuracy and completeness.

Cash and Investments

- Investments (ONLY if applicable) –
 - Investment Schedule – provides the note disclosure requirements required for various types of investments.
 - Definitions – additional descriptions of the various types of investments held.
 - Investment Registration Inquiry – needed if any investments require the custodial risk, investment maturity and/or credit quality risk disclosures in the notes.
 - Procedure: Investment statements will be reviewed to determine accurate presentation in the financial statements and note disclosures.

Other Accounts –

- Accounts Receivable – includes a breakdown of total Accounts Receivable, for all funds.
 - Listing should include all receivables reported on the general ledger at June 30th.
 - Receivables separated into 3 categories: State, Federal and Local.
 - Procedure: The Accounts Receivable listing provided will be reconciled to supporting documentation during fieldwork to determine the accuracy and completeness of the financial statements.

Other Accounts –

- Capital Assets – Summary of Capital Assets
 - Worksheet should be completed so the capitalized assets reported on the financial statements can be reported in the notes to the CAFR.
 - **Ensure the July 1, 2012 balances agree to those balances reported at June 30, 2012.**
- Capital Assets – Net Capitalized Leased Assets
 - Worksheet should be completed for any assets that are capitalized that were purchased with a lease agreement.
 - Include all assets that have a related capital lease still in effect in FY 2013.

Other Accounts –

- Accounts Payable – includes a breakdown of total Accounts Payable, for all funds.
 - Listing should include all payables reported on the general ledger at June 30th.
 - Payables should be separated by vendor.
 - Procedure: The Accounts Payable listing provided will be reviewed and reconciled to supporting documentation during fieldwork to determine the accuracy and completeness of the financial statements.

Other Accounts –

- Salaries and Benefits Payable – Include a breakdown by employee for the salaries payable amount. The benefits payable should be detailed by fund and category (i.e., teacher’s retirement).
 - Procedure: Salaries payable will be used to reconcile the Continuous Audit (CS-1) to the general ledger. Benefits payable will be compared to the amount reported in the prior year to determine if accrual is reasonable.

Other Accounts –

- Net Position Detail – provides a worksheet to determine the Net Position, Invested in Capital Assets.
 - Worksheet is set up to determine total capital assets, less any long term debt outstanding that is related to the capital assets.
 - Procedure: The net position calculation will be reviewed for accuracy.

Other Accounts –

- State and Federal Revenue – includes a breakdown of total State and total Federal Revenue for all funds
 - Listing should report both state and federal by individual grants, and also by the agency that provided the grants.
 - Revenues should be separated by State and Federal.
 - Procedure: The listing provided will be reconciled to amounts reported by GDOE and to supporting documentation for grants received directly or from other Pass-Through organizations.

Other Accounts –

- Continuous Audit (CS-1) Reconciliation – worksheet used to document the reconciliation of salaries and travel to the general ledger.
 - General Ledger maintained on the modified accrual basis
 - CS-1 is generally maintained on a cash basis.
 - Procedure: The auditor will review the CS-1 to ensure the amounts reported on the CS-1 are reconcilable to the financial statements/general ledger.

Other General Information

- General Information – each RESA will provide their contact information.
 - DOAA will forward to SAO for CAFR purposes.
 - DOAA will use for subsequent communications



Other General Information

- Questionnaire – completed by each RESA
 - Contact Amy Rowell or Audit Supervisor for further clarification as needed.
 - Procedure: To provide additional information needed for state reporting purposes. Additional procedures, if any, will be determined as necessary based on information provided.

Other General Information

- Leases (if applicable)
 - Definitions – criteria used to determine if a lease agreement is an operating or capital lease.
 - Operating Leases – worksheet to include the current year and subsequently scheduled monthly payments.
 - Capital Leases – worksheet to report all the current year and subsequently scheduled principal and interest payments.
 - Summary of Capital Leases – Summary needed for note disclosure in the CAFR. **Beginning Balances must agree to amounts reported at June 30, 2012.**

Other General Information

- Compensated Absences (if applicable)
 - Worksheet should be completed if the RESA compensates the employees for vacation leave earned but not taken.
 - Even if the liability is not included on the financial statements, an estimated amount of the liability at June 30th should be provided to determine the misstatement to the financial statements.
 - **Beginning Balances must agree to the prior year, June 30, 2012, amounts provided.**

Other Procedures

- Auditors will perform additional limited procedures to better gain an understanding of the RESA.
 - Follow up on FY 2012 findings noted.
 - Review the expenditures reported on the SEFA for accuracy and completeness and propose adjustments as necessary.
 - Bank confirmations will be obtained for every account recorded on your financial statements.
 - Analytical Review to compare changes in the Revenues/Expenses between prior and current year.

Other Procedures

- Continued:
 - Review of the salary calculations for the Director and Finance Director salaries.
 - Obtain copies of all relevant board policies, contracts, etc. that could affect the financial statements and subsequent reviews.
 - Limited review of expenditure vouchers and salary calculations as determined through course of review.

Auditor Expectations

- All information submitted timely to GDOE and DOAA.
- Available contact and workspace for one week, predetermined prior to fieldwork.
- **Guidance will be provided. Please do not hesitate to contact your Audit Supervisor, Amy Rowell, Kristina Turner, or Claire Arnold.**

QUESTIONS

