

AUDIT WORKSHOP

November 5, 2014

Different types of audits

- Financial statement
- Single audit
- Whistle blower
- Accountability

Accountability audits (routine)

Small agency usually 3-4 year cycle

Internal controls and compliance with SAAM, RCW, WAC

Reconcile monthly, ensure compliance

Documentation! Every expenditure needs to have a direct benefit to the public

What documentation will SAFS track if they disagree with a payment?

SAFS has to pay, but can make recommendations and remind agencies of policy.

Trail of documents to prove the concerns

Call the auditor if in serious doubt - use that tool discretionary.

Watch for patterns/consistent issues

Contents of an engagement letter

Responsibilities - Auditor/Agency

When to start

Contact information

Offer of an entrance conference, via phone or in person

Employee Recognition

RCW 41.60.150

Enough documentation to follow RCW

Not a gift of public funds

Less than \$200 per award – to specific people for specific events. \$200 is per award not per individual. One \$200 award could be split between multiple people.

Agencies should have internal policies regarding recognition.

Q. How does frequency play in?

A. \$200 per award – Some agencies address frequency in policy. Nothing specific in RCW.

All audits based on risk/odddity. Must have specific detail, how the individual contributed, and each should be unique.

Q. Director or Commissioner?

A. Yes, but the oversight body must approve. 5, 10, 15, 20, 25 years can be done. Cannot do meals. Caution: public perception. Highly recommend having an internal policy.

Q. Not acceptable recognition?

A. Commissioners that aren't employees. Auditors' team will look into further.

Donations

Donations are public funds and should be treated with same caution. Some donations are actually more restrictive. Once received by agency it becomes public money. Cannot be used for gifts, alcohol, etc. Foundations or friends of entities... money must be through foundation and should not touch agency.

Q. Alcohol purchases?

A. No law or rule actually says an agency cannot purchase. Must ask how it benefits the public. What is it going to be used for. Except higher-education, have never seen an acceptable use of alcohol. Also says cannot purchase on p-cards

Coffee & Light Meals

Agencies required to have policies for light refreshments or meals with meetings.

How are they integral?

Training 8-4, not able to leave for lunch because we want to get the most out of all attendees.

Meals – per diem rules apply!

Documentation must show:

How/Why they are integral.

How many attended, include a list of attendees.

Detailed agenda.

Q. Meeting per diem for each person

A. Supply lunch but limit to per diem and document everything. Who, how many, and why it's needed.

Agencies can create standard forms and must have pre-approval.

Cannot provide for: retirements, agency anniversaries, lobbying, baby showers.

Q. Meal with meeting vs. light

A. Meal: per diem

Light: does not need per diem provide coffee

Time management, written agenda showing breakdown and why extend time is needed.

Agenda needed to support the need integral portion.

Logo/Promo

Staff, supporters of agency. A public purpose and within purview. Can have logo wear but staff buy. Can be used as award but must meet award policy. Cannot be gifts. Uniforms excluded. Lottery gives out advertising as enterprise activity.

- Q. Can an item be given to the employee but not as an award? For use at agency?
- A. Generic and reassigned to other people, and cannot be clothing. Item would belong to the office not the individuals. Promotional allowed as long as documented the why and public purpose. Ask yourself: can I make a case to the auditor and what will the public think?

Required Doc/Scanned

Scanned images ok – but they need to meet scan and toss policies.

Secretary of State oversees all records retention.

Work with Secretary of State to ensure policies are ok.

- Q. When agencies send documents to DES, what are agencies required to keep?
- A. Originals should be kept.

P-Card

Should have detailed receipts and back-up

What made up transaction

What was purchased and item cost.

Doesn't matter how you pay. Still have to have all documentation to prove compliance.

Gift cards – who were they given to and what for

Need to have proper internal controls.

- Q. Do we need back up for airfare purchases since US Bank bill shows traveler and destination?
- A. Auditors would prefer to see receipts and back-up. Auditor looks for internal controls, in addition to compliance.
- Q. Controls, deposit preparation and standards? - because positions change.
- A. Have people that know policy review transactions and documentation. Agency policy protects agency and employee. Do your best to ensure compliance.