Section 20,500
Governmental Audit Engagement Checklist (For Financial Statements With Periods Ending on or After December 15, 2012)

Instructions for Use of Checklist

This checklist was developed for use by reviewers of audits of state and local governments that are subject to the accounting and financial reporting requirements of the Governmental Accounting Standards Board (GASB). It should be used in conjunction with other guidance materials issued to implement the peer review programs of the AICPA. Questions regarding these instructions or any other materials should be directed to AICPA Peer Review at 919.402.4502.

The questions in this checklist emphasize reporting matters and general procedures ordinarily performed by an independent auditor in the audit of financial statements of state and local governmental units. This checklist can be used in reviewing the audit of the basic financial statements, the comprehensive annual financial report, or component unit financial statements. The reviewer, however, should recognize that this checklist does not address certain items contained in the comprehensive annual financial report, such as the introductory section and statistical information, and is not intended to be an all-inclusive document containing all disclosure and audit procedures related to audits of state and local governments. It should be used in conjunction with various reference materials dealing with reporting disclosure and audit procedures to sufficiently evaluate state and local government audits. These additional materials include the AICPA financial reporting practice aids, AICPA Checklists and Illustrative Financial Statements *State and Local Governments* or other similarly comprehensive disclosure materials, and the AICPA Audit and Accounting Guide *State and Local Governments* (as of March 1, 2013). Presentation guidance may be found in Section 2200 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards.*

The questions have been derived principally from relevant pronouncements of the Auditing Standards Board, GASB, and the AICPA Audit and Accounting Guide *State and Local Governments* (as of March 1, 2013). This is a highly summarized checklist. Reviewers may wish to consult the professional standards cited for detailed information about the requirements. Bullet points are generally batched into one question on this checklist. The reviewer should weigh each bullet point separately and in the aggregate when concluding whether the professional standards requirement was met in all material respects. All "No" answers must be thoroughly explained.

The AU-C sections contain application materials that follow the requirements section and are numbered using an A-prefix. The application materials contain guidance that is not in itself required but is relevant to the proper application of the requirements of the AU-C section. If a reviewed firm does not perform the procedures outlined in the application materials, the reviewer should determine if the procedures that were performed are sufficient to meet the requirements. Citations from application materials are noted with an **.

Notes to Reviewer: Reviews of state and local government audit engagements may require use of one or more peer review engagement checklists. Refer to paragraphs .08–.10 of section 20,100, which contain a matrix for guidance in selecting the appropriate checklist(s) for such engagements.

Reviewers of engagements in which the auditor was engaged to conduct the audit in accordance with *Government Auditing Standards* (the Yellow Book) should also complete the appropriate *Supplemental Checklist for Review of Audit Engagements Performed in Accordance With Government Auditing Standards* (PRP sec. 22,110). In addition, reviewers of engagements in which the auditor was engaged to perform a single audit over federal awards should also complete the *Supplemental Checklist for Review of Single Audit Act/A-133 Engagements* (PRP sec. 22,100).

Reviewers of audits of governmental entities' U.S. Housing and Urban Development (HUD) projects should not complete the *Supplemental Checklist for Review of Audits of For-Profit Housing and Urban Development (HUD) Engagements*, but instead should complete the *Supplemental Checklist for Review of Single Audit Act/A-133 Engagements* if the auditor was engaged to perform such an audit. Reviewers should adapt this checklist to fit specific engagements.

This checklist has been updated to reflect authoritative pronouncements and interpretations that are issued and effective as of September 30, 2013, and has been significantly revised to reflect the clarified auditing standards, the 2011 revision of the Yellow Book, and other information applicable to state and local governments, including GASB Statements

- No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*
- No. 65, *Items Previously Reported as Assets and Liabilities*
- No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*
- No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

The AICPA established the Governmental Audit Quality Center (GAQC) (www.aicpa.org/GAQC) as a voluntary firm membership center to enhance quality of audits performed under the Yellow Book, or governmental audits. GAQC firm members have agreed, as a condition of membership, to have employees of a GAQC member firm review the governmental audits selected for its peer review (note that for purposes of the GAQC, governmental audits are all audits and attestation engagements performed under *Government Auditing Standards*). To avoid misunderstandings with firms that are GAQC members, it is advisable that team captains ensure they include a GAQC firm member. This requirement can be met with a team captain or team member whose firm is a member of GAQC.

Explanation of References:

AAG-SLV	AICPA Audit and Accounting Guide *State and Local Governments* (as of March 1, 2013)
AU-C	Reference to section number for clarified SASs in AICPA *Professional Standards*
ET	Reference to section number in AICPA Code of Professional Conduct in AICPA *Professional Standards*
GASB	*Codification of Governmental Accounting and Financial Reporting Standards* (as of June 30, 2012)
QC	Reference to section number for Statements on Quality Control Standards in AICPA *Professional Standards*
SAS	AICPA Statement on Auditing Standards

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ENGAGEMENT PROFILE

Engagement Code No. _____ Office _____
Owner/Partner _____ Date of Financial Statements† _____
Manager _____ Date of Report _____
Engagement Quality Control Reviewer* _____ Date Report Released _____

This engagement involves reporting on:

- ☐ Basic Financial Statements
- ☐ Comprehensive Annual Financial Statements Report (CAFR)
- ☐ Primary Government Only Financial Statements
- ☐ Special Reports
- ☐ Compliance for Each Major Program; Internal Control Over Compliance; and Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 (Complete Single Audit Data on next page)
- ☐ Individual Fund or Department Financial Statements
- ☐ Component Unit Financial Statements (CUFS)
- ☐ Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance With *Government Auditing Standards* (See Supplemental Yellow Book Checklist)
- ☐ Limited Reporting Engagement
- ☐ Other, explain: _____

Is this engagement part of a group audit? Yes ☐ No ☐

Were other auditors involved in this engagement? Yes ☐ No ☐

At the time the report/financial statement(s) on the client's current year was issued/released, were there billed or unbilled fees, or note(s) receivable arising from such fees, that remained unpaid for any professional services provided more than one year prior to the date of the report? Yes ☐ No ☐

Key data reported on by this office for this engagement:

Total government-wide assets ..... $_____
Total government-wide net position ..... $_____
Total revenues of governmental activities ..... $_____
Total revenues of business-type activities ..... $_____
Number of opinion units ..... _____

General description of audited entity: _____

List all services [ET 101.05] performed for the client during the period of the professional engagement or the period covered by the financial statements (including financial statement preparation, cash to accrual conversions, and any other nonaudit services). _____

If this engagement was performed in accordance with *Government Auditing Standards*, were any significant threats identified in regard to nonaudit services? Yes ☐ No ☐ N/A ☐

Indicate the working paper reference locations of the independence documentation. _____

If this engagement was performed in accordance with *Government Auditing Standards*, has the assessment of the skills, knowledge, or experience of the individual(s) designated to oversee the nonaudit service(s) been documented? Yes ☐ No ☐ N/A ☐ If yes, working paper reference location. _____

---

* Not applicable unless required by firm policy.
† To determine the applicability of all cross-referenced pronouncements, consider their effective dates.

	Owner or Partner	*Manager or Equivalent*
Personnel Continuity:		
Number of years assigned on this engagement	_____	_____
Number of years in current position on this engagement	_____	_____

Audit hours on this engagement:

	Total	*Prior to Commencement of Field Work*	*During Field Work*	*After Completion of Field Work*
Owner/Partner	_____	_____	_____	_____
Engagement Quality Control Reviewer*	_____	_____	_____	_____
Manager (or equivalent)	_____	_____	_____	_____
Senior/Other Personnel	_____	_____	_____	_____
Total Hours	_____			

Describe the engagement team's experience and training relevant to this engagement.

_____

_____

_____

_____

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Single Audit Data (from final audited financial statements):

Total amount of federal assistance expended[‡] ..... $_____

Threshold for Type A programs ..... $_____

Were any large loans or loan guarantees excluded in determining Type A programs? ..... N/A ☐ Yes ☐ No ☐

Dollar amount of total federal assistance expended that was tested as major programs ..... $_____

% of total federal assistance expended that was tested as major programs..... _____%

In accordance with OMB *Circular A-133* Section .530, was auditee considered a low-risk auditee? ..... Yes ☐ No ☐

If the auditee was considered low risk, did it meet the following **for each of the two preceding years**? .....N/A ☐

Were OMB A-133 single audits performed and submitted on a timely basis?..... ..... Yes ☐ No ☐

Date data collection forms were accepted by the Federal Audit Clearinghouse:

Current year audit: _____

First preceding year audit: _____

Second preceding year audit: _____

Were unqualified opinions issued on the financial statements and the schedule of expenditures of federal awards? ..... Yes ☐ No ☐

Did the auditee have no material weaknesses in internal control over financial reporting? ..... Yes ☐ No ☐

Did the auditee have no findings in Type A programs from any of the following:

Material weaknesses in internal control over compliance?..... Yes ☐ No ☐

Material noncompliance?..... Yes ☐ No ☐

Known or likely questioned costs > 5% of expenditures for that Type A program? ..... Yes ☐ No ☐

Dollar amount required to be tested as major to meet % of coverage based on low-risk auditee determination above..... $_____

If applicable, did auditor use the first year audit exception and deviate from the risk based approach? ..... N/A ☐ Yes ☐ No ☐

[‡] This amount should include "pass through" federal assistance received indirectly from another state or local government.

Complete the following chart with two-year lookback information and information regarding current year. If the programs are part of a cluster, list the name of the cluster and all CFDA numbers in the cluster. As an alternative to the completion of this worksheet, the major program determination worksheet prepared by the firm may be submitted to the peer reviewer. **Any alternate format must include the requested information for the current and prior two years.**

SINGLE AUDIT/A-133 MAJOR PROGRAM DETERMINATION WORKSHEET

			Current Year						First Preceding Year			Second Preceding Year		
Name of Agency or Department	CFDA or Other No.	Name of Program	Were ARRA funds expended? (Y/N)	Total Awards Expended	Year Last Audited as a Major Program	Type Program (A or B)	Non-Major Program	Major Program	Total Awards Expended	Year Last Audited as a Major Program	Type Program (A or B)	Total Awards Expended	Year Last Audited as a Major Program	Type Program (A or B)
			N											
			N											
			N											
			N											
			N											
			N											
			N											
			N											
			N											
			N											
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			N											
			N											
			N											
			N											
			N											
			N											
			N											
			N											
Total Financial Awards, All Programs														

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AUDIT ENGAGEMENT RISK ASSESSMENT

This section of the engagement profile should be completed by the engagement partner or manager (or by the reviewer based on the interview of the engagement team).

1. **Summarize key factors the engagement team considered with regard to the entity, its environment, fraud risk factors, and entity level controls and how they affected the audit approach.**

   _____
   _____
   _____
   _____

2. **What are the two or three areas with the highest risk of material misstatement in the financial statements?**

   _____
   _____
   _____
   _____

3. **If a group audit, describe the level of reliance on the work of component auditors.**

   _____
   _____
   _____
   _____

Date Engagement Review Performed _____ Date Checklist Reviewed by Team Captain _____

Reviewer Signature _____ Team Captain Signature _____

Governmental Audit Engagement Checklist

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I. GENERAL AUDIT PLANNING PROCEDURES

	Ques.	N/A[||]	Yes	No[#]	Ref.
Client and Engagement Acceptance and Continuance:					
Did the engagement partner perform procedures regarding the acceptance of the client relationship and the specific audit engagement? [AU-C 220.14–.15]	G101	☐	☐	☐	_____
If a scope limitation that would lead to a disclaimer was imposed by management, was the audit required by law or regulation? [AU-C 210.07]	G102	☐	☐	☐	_____
If the auditor succeeded another auditor, did the successor auditor initiate communications with the predecessor auditor to ascertain whether there were matters that might assist the auditor in determining whether to accept the engagement? [AU-C 210.11–.12]	G103	☐	☐	☐	_____
Did the successor auditor obtain sufficient appropriate audit evidence about whether opening balances contain misstatements that materially affect the current period's financial statements and appropriate accounting policies reflected in the opening balances have been consistently applied? [AU-C 510.06–.11]	G104	☐	☐	☐	_____
• Also, consider if the auditor becomes aware of information during the audit that might require revision of prior year presented financial information, did the auditor make the required inquiries of the predecessor auditor? [AU-C 510.12]					
If anything has been noted that may indicate a lack of independence, integrity, and objectivity, was the matter identified and appropriately resolved by the firm and its effects appropriately considered? [ET 101–102] [QC 10.21–.26]	G105	☐	☐	☐	_____
Did the auditor establish and document in writing his or her understanding with the client with regard to specific criteria relating to nonattest services? [ET 101.05] [QC 10.21–.26]	G106	☐	☐	☐	_____
Have engagement personnel (including leased and per diem employees) been appropriately advised of the need to observe independence, integrity, and objectivity requirements concerning the client and any related nonclient parent, investor, investee, subsidiary, or affiliate? [QC 10.21–.26]	G107	☐	☐	☐	_____
Were all fees, billed or unbilled, or note(s) receivable arising from such fees for any professional services that were provided more than one year prior to the date of the report paid prior to the issuance of the report for the current engagement? [ET 191.103–.104] [QC 10.21–.26]	G108	☐	☐	☐	_____
Does it appear the firm's guidelines for acceptance and continuance of client relationships, including performing specific engagements for the client, were complied with, based on inquiry of the predecessor accountant or review of engagement files, if any? [QC 10.27–.30]	G109	☐	☐	☐	_____
Did the firm comply with its policies for ensuring that it provided sufficient personnel with the competence, capabilities, and commitment to ethical principles to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements? [QC 10.31–.34 and QC 10.A17–.A31]	G110	☐	☐	☐	_____

[||] The "N/A" column should be used when the item either does not exist or is not material.

[#] All "No" answers should be handled in either of the following ways: (1) discussed on a Matter for Further Consideration (MFC) form with the MFC form number noted in the "Ref." column or (2) discussed on the pages provided at the end of this checklist if no MFC form was generated.

	Ques.	N/A	Yes	No	Ref.
Client Understanding:					
Did the auditor agree upon the terms of the audit engagement with management,[^] which should be documented in an engagement letter or other suitable form of written agreement? [AU-C 210.10]	G111	☐	☐	☐	____

The agreement should include

- the objective and scope of the audit of the financial statements. [AU-C 210.10*a*]
- the responsibilities of the auditor. [AU-C 210.10*b*]
- the responsibilities of management, including management's acknowledgment of [AU-C 210.10*c*]
  - — the fair presentation of the financial statements in accordance with the applicable financial reporting framework. [AU-C 210.06*b*(i)]
  - — 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. [AU-C 210.06*b*(ii)]
  - — providing access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. [AU-C 210.06*b*(iii)(1)]
  - — providing the auditor with additional information that the auditor may request from management for the purpose of the audit. [AU-C 210.06*b*(iii)(2)]
  - — providing the auditor with unrestricted access to persons with the entity from whom the auditor determines it necessary to obtain audit evidence. [AU-C 210.06*b*(iii)(3)]
- a statement that because of the inherent limitation of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with generally accepted auditing standards (GAAS). [AU-C 210.10*d*]
- identification of the applicable financial reporting framework for the preparation of the financial statements. [AU-C 210.10*e*]
- reference to the expected form and content of any reports to be issued by the auditor and a statement that circumstances may arise in which a report may differ from the expected form and content. [AU-C 210.10*f*]

[^] Generally, the auditor establishes an understanding of the services to be performed with the entity's management. In some cases, the auditor may establish such an understanding with those charged with governance. The term *those charged with governance* means the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting and disclosure process. In some cases, those charged with governance are responsible for approving the financial statements (in other cases, management has this responsibility). For entities with a board of directors, this term encompasses the term *board of directors* or *audit committees* expressed elsewhere in generally accepted auditing standards.

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	Ques.	N/A	Yes	No	Ref.
Audit Planning:					
Did the auditor properly plan the audit, giving appropriate consideration to the following? [AU-C 300] Specifically, did the auditor	G112	☐	☐	☐	____
• involve the engagement partner and other key members of the engagement team in planning the audit, including planning and participating in the discussion among engagement team members? [AU-C 300.05]					
• evaluate compliance with relevant ethical requirements? [AU-C 300.06*b*]					
• establish an overall audit strategy that sets the scope, timing, and direction of the audit and that guides the development of the audit plan? [AU-C 300.07]					
• in developing the overall audit strategy, [AU-C 300.08]					
— identify the characteristics of the engagement that define its scope;					
— ascertain the reporting objectives of the engagement in order to plan the timing of the audit and the nature of the communications required;					
— consider the factors that, in the auditor's professional judgment, are significant in directing the engagement team's efforts;					
— consider the results of preliminary engagement activities and, when applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant; and					
— ascertain the nature, timing, and extent of resources necessary to perform the engagement?					
• develop an audit plan that includes a description of [AU-C 300.09]					
— the nature and extent of planned risk assessment procedures;					
— the nature, timing, and extent of planned further audit procedures at the relevant assertion level; and					
— other planned audit procedures that are required to be carried out so that the engagement complies with GAAS?					
• establish one or more levels of performance materiality? [AU-C 320.11]					
• plan the nature, timing, and extent of direction and supervision of engagement team members and review of their work? [AU-C 310.11]					
• consider whether specialized skills are needed in performing the audit? [AU-C 300.12]					
Did the auditor document the overall audit strategy, the audit plan, and any changes made during the audit engagement to the overall audit strategy or the audit plan and the reasons for such changes? [AU-C 300.14]	G113	☐	☐	☐	____

	Ques.	N/A	Yes	No	Ref.
Did the auditor consider, prior to the auditor's identification and assessment of the risks of material misstatement, such matters as the following: [AU-C 300.A2**] • The analytical procedures to be applied as risk assessment procedures? • A general understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework? • The determination of materiality? • The involvement of specialists? • The performance of other risk assessment procedures?	G114	☐	☐	☐	_____
If consideration was given to the work of internal auditors in determining the scope of the audit, was it done in accordance with professional standards? [AU-C 610]	G115	☐	☐	☐	_____
Fraud Considerations:					
Did the auditor properly document compliance with fraud risk considerations? [AU-C 240.44] Documentation should summarize the following: • Discussion among engagement personnel in planning the audit regarding the susceptibility of the entity's financial statements to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated? [AU-C 240.15] • Identification of the members of management and others within the entity with whom the auditor made inquiries about the risks of fraud? [AU-C 240.17–.21] • Consideration of preliminary analytical procedures, including procedures specifically related to revenue? [AU-C 240.22] • Other information obtained that indicates risks of material misstatement due to fraud? [AU-C 240.23] • The identification and the assessment of material misstatement due to fraud at the financial statement level and at the assertion level for classes of transactions, account balances, and disclosures? [AU-C 240.25] • The auditor's reasons supporting a conclusion that improper revenue recognition is not a risk of material misstatement due to fraud? [AU-C 240.26] • The assessed risks of material misstatements due to fraud as significant risks and, accordingly, to the extent not already done so, the auditor's understanding of the entity's related controls, including control activities, relevant to such risks, including the evaluation of whether such controls have been suitably designed and implemented to mitigate such fraud risks? [AU-C 240.27] • The auditor's overall responses to address the assessed risks of material misstatement due to fraud at the financial statement assertion level and the auditor's incorporation of an element of unpredictability in the selection of the nature, timing, and extent of audit procedures? [AU-C 240.28–.30]	G116	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
• The auditor's identification of management's override of controls as a significant risk? The risks of management's override of controls should be addressed apart from any conclusions regarding the existence of more specifically identifiable risks? Appropriate procedures performed, including testing the appropriateness of journal entries and other adjustments made in preparation of the financial statements, reviewing accounting estimates for bias, and evaluating significant transactions that are outside the normal course of business for the entity? [AU-C 240.31–.32]					
• Evaluation of the accumulated results of auditing procedures and whether they affect the assessment of risks of material misstatement due to fraud made earlier in the audit or indicate a previously unrecognized risk of material misstatement due to fraud? [AU-C 240.34]					
• The evaluation of misstatements, whether material or not, and whether they are indicative of fraud and whether management was involved? [AU-C 240.34–.37]					
• The nature of communications about fraud made to management and those charged with governance? [AU-C 240.39–.41]					
• The nature of the communications about fraud made to regulatory and enforcement authorities? [AU-C 240.42]					
IT Considerations:					
Did the auditor properly identify risks associated with the role of IT? This could include the following considerations:	G117	☐	☐	☐	____
• Identification of the role of IT relative to financial transactions and financial reporting [AU-C 315.A53–.A60**]					
• Risk of material misstatement associated with financial transactions and financial reporting [AU-C 320]					
• Obtaining sufficient knowledge of the information system, including the related business processes relevant to financial reporting [AU-C 315.A84–.A90**]					
• Obtaining an understanding of how the entity has responded to risks arising from IT [AU-C 315.22]					
• Identification and assessment of potentially mitigating controls for those inherent risks, including application and general computing controls [AU-C 315.A54–.A60**]					
• The auditor possessing, either internally or through the use of a specialist, the required expertise to address the risks associated with IT [AU-C 300.A18–.A19**]					
• The auditor, either directly or through the use of a specialist, sufficiently identifying and addressing risks associated with IT and internal controls [AU-C 315.22]					
Did the auditor properly identify and document the linkage between further audit procedures (test of controls, substantive procedures, or both) and the IT risk assessment? [AU-C 330] This could include the following:	G118	☐	☐	☐	____
• The auditor documented the understanding of the entity and its environment. [AU-C 315]					
• The firm used a professional possessing IT skills to determine the effect of IT on the audit, understand the IT controls, or design and perform tests of IT controls or substantive procedures. [AU-C 310.A19**]					

	Ques.	N/A	Yes	No	Ref.
Group Audits:					
Did the auditor appropriately identify the audit as being a group audit based on the existence of components at the appropriate level of aggregation? [AU-C 600.A1–.A5**]	G119	☐	☐	☐	_____
Were appropriate acceptance and continuance procedures performed, including • considering whether sufficient appropriate audit evidence regarding the consolidation process and the financial information of the components on which to base the group audit opinion can be reasonably expected to be obtained? [AU-C 600.14–.16] • identification of significant components? A *significant component* is a component identified by the group engagement team (i) that is of individual financial significance to the group, or (ii) due to its specific nature or circumstances, is likely to include significant risks of material misstatement of the group financial statements. [AU-C 600. 14-.16]	G120	☐	☐	☐	_____
Did the auditor agree upon the terms of the group audit engagement? [AU-C 600.17]	G121	☐	☐	☐	_____
Did the group audit team establish an overall group audit strategy and develop an overall group audit plan? Was the plan approved by the group engagement partner? [AU-C 600.18–.19]	G122	☐	☐	☐	_____
Did the auditor obtain an understanding of the entity, including group-wide controls and an understanding of the consolidation process? [AU-C 600.20]	G123	☐	☐	☐	_____
Did the group engagement team determine component materiality for those components on which the group engagement team will perform, or for which the auditor of the group financial statements will assume responsibility for the work of a component auditor who perform an audit or a review? [AU-C 600.32]	G124	☐	☐	☐	_____
Did the group engagement team perform proper procedures related to the consolidation process in response to the assessed risks of material misstatements of the group financial statements? [AU-C 600.34–.39]	G125	☐	☐	☐	_____
Work Performed by a Component Auditor:					
When the engagement included the work of component auditors, did the group engagement team obtain an understanding of the following? (*Note*: Component auditors may be part of the group engagement partner's firm, a network firm, or another firm.) Consider • whether a component auditor understands and will comply with the ethical requirements that are relevant to the group audit and, in particular, is independent. [AU-C 600.22*a*] • a component auditor's professional competence. [AU-C 600.22*b*] • the extent, if any, to which the group engagement team will be able to be involved in the work of the component auditor. [AU-C 600.22*c*] • whether the group engagement team will be able to obtain information affecting the consolidation process from a component auditor. [AU-C 600.22*d*] • whether a component auditor operates in a regulatory environment that actively oversees the auditor. [AU-C 600.22*e*]	G126	☐	☐	☐	_____

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
If the group engagement partner decided to make reference to the report of a component auditor • was that decision appropriate? [AU-C 600.24–.27] • did the auditor's report make appropriate reference to the component auditor in the auditor's report of the group financial statements? [AU-C 600.28–.31]	G127	☐	☐	☐	_____
If the group engagement partner is not making reference to the work of a component auditor, were appropriate procedures performed, including group engagement team involvement in the work of the component auditor? [AU-C 600.50–.64]	G128	☐	☐	☐	_____
Auditor's Specialist, If Used:					
If an auditor's specialist was used (for example, actuary, appraiser, engineer, environmental consultant, or geologist), did the auditor apply the appropriate procedures to evaluate the qualifications and findings of the specialist? Consider whether • appropriate considerations and evaluations were made in accordance with professional standards. [AU-C 620.08–.11] • the evaluation of objectivity included the inquiry regarding interests and relationships that may create a threat to the objectivity of the auditor's specialist. [AU-C 620.09] • appropriate procedures were applied to evaluate the adequacy of the work of the specialist. [AU-C 620.12] • appropriate procedures were applied to test the source data used by the specialist. [AU-C 620.12*c*]	G129	☐	☐	☐	_____
Internal Control and Control Risks:					
When developing an understanding of the entity and its environment relative to evaluation of the risk of material misstatements and the response to the audit evidence obtained, did the auditor • perform risk assessment procedures, including inquiries of management and others within the entity, analytical procedures, and observation and inspection? [AU-C 315.05–.11] • obtain an understanding of the entity and its environment and components of its internal controls in order to assess the risk of material misstatements at the assertion level and to design and perform further audit procedures responsive to assessed risks? [AU-C 315.12–.25] • understand the auditor's responsibility to identify risks of material misstatement at the financial statement level and at the relevant assertion level related to classes of transactions, account balances, and disclosures? [AU-C 315.26–.27] • identify significant risks and obtain an understanding of the entity's controls, including control activities, relevant to those risks, and, based on that understanding, evaluate whether such controls have been suitably designed and implemented to mitigate such risks? [AU-C 315.28–.30] • if the auditor assesses that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures related to some risks, obtain an understanding of the entity's controls over such risks? [AU-C 315.31]	G130	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
• design and perform substantive procedures for all relevant assertions related to each material class of transactions, account balances, and disclosure? [AU-C 330.18–.24]					
Service Auditor Reports:					
If the auditor is relying on a service auditor report, did the auditor substantively meet professional requirements regarding internal control by	G131	☐	☐	☐	_____
• considering the controls at a service organization that may affect the client's transactions and internal control? [AU-C 402.09–.14]					
• obtaining an understanding of the controls in place at the entity and at a service organization whose services are part of the entity's information system? [AU-C 402.03]					
• performing one or more of the following in order to obtain audit evidence about the operating effectiveness of the service organization's controls if the auditor's risk assessment includes an expectation that those controls are operating effectively?					
— Obtaining and reading the type 2 report [AU-C 402.16]					
— Performing appropriate tests of controls at the service organization [AU-C 402.16]					
— Using another auditor to perform tests of client's controls at the service organization on behalf of the user auditor [AU-C 402.16]					
— Determining whether the service auditor's report provides sufficient appropriate audit evidence about the effectiveness of the controls to support the user auditor's risk assessment, if the user auditor plans to use a type 2 report as audit evidence that controls at the service organization are operating effectively [AU-C 402.17]					
Related Party Transactions:					
Did the auditor [AU-C 550]	G132	☐	☐	☐	_____
• obtain and document an understanding of related party relationships and transactions to identify and assess the risks of material misstatement? [AU-C 550.04]					
• share the identity of related parties and other relevant information with the engagement team? [AU-C 550.18]					
• obtain sufficient audit evidence about whether related party relationships and transactions have been appropriately identified, accounted for, and disclosed in the financial statements? [AU-C 550.04]					
Audit Plan:					
Did the auditor properly consider and document the following in the development of the audit plan and strategy and completion of the audit programs, when applicable? [AU-C 300.A21–.A23**] Consider that	G133	☐	☐	☐	_____
• the overall audit strategy is a record of the key decisions considered necessary to properly plan the audit and significant issues communicated to the engagement team. [AU-C 300.A21**]					
• the audit plan is a record of the planned nature, timing, and extent of risk assessment procedures and further audit procedures at the relevant assertion level in response to the assessed risks. [AU-C 300.A22**]					

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II. AUDIT AREAS

Highest Risk Audit Areas

Consider the firm's risk assessments identified in the engagement profile and your review of the financial statements and planning documentation to identify, in column 1 that follows, the highest risk audit areas to be reviewed. Ordinarily, a scope of at least three areas is expected. Risk area selection is a matter of professional judgment that may include consideration of the scope and results of other engagements evaluated in the peer review.

Review the planning and risk assessment documentation for each risk area selected. Indicate your assessment of the firm's performance related to elements in columns 2–4. [AU-C 300–315]

	Highest Risk Audit Areas* (1)	Adequate Audit Risk Identification? (2)		Adequate Planned Audit Response ? (3)		Was the Risk Assessment Adequately Documented? (4)	
		Yes	No	Yes	No	Yes	No
Audit Area							
Cash	☐	☐	☐	☐	☐	☐	☐
Receivables	☐	☐	☐	☐	☐	☐	☐
Inventories	☐	☐	☐	☐	☐	☐	☐
Investments and Derivative Instruments	☐	☐	☐	☐	☐	☐	☐
Prepaid Items/Deferred Charges	☐	☐	☐	☐	☐	☐	☐
Capital Assets, Including Intangibles	☐	☐	☐	☐	☐	☐	☐
Liabilities	☐	☐	☐	☐	☐	☐	☐
Deferred Inflows/Unearned Revenue	☐	☐	☐	☐	☐	☐	☐
Commitments and Contingencies	☐	☐	☐	☐	☐	☐	☐
Fund Balance/Net Position and Financial Statement Reconciliations	☐	☐	☐	☐	☐	☐	☐
Revenues	☐	☐	☐	☐	☐	☐	☐
Expenditures/Expenses and Encumbrances	☐	☐	☐	☐	☐	☐	☐
Budgets	☐	☐	☐	☐	☐	☐	☐

If any "No" answers are identified in the preceding matrix for which a Matter for Further Consideration (MFC) form was not generated, include an explanation in section V, "Explanation of 'No' Answers and Other Comments."

* Indicate with a checkmark.

Note: Review the work performed in the highest risk audit areas identified in the matrix and complete only those sections of the subsequent checklist. In the audit areas reviewed, indicate whether the reviewed firm has obtained sufficient competent evidential matter to form conclusions concerning the validity of the assertions of material significance embodied in the financial statements as described in AU-C section 500, *Audit Evidence* (AICPA, *Professional Standards*).

	Ques.	*N/A*[||]	*Yes*	*No*[#]	*Ref.*
Cash					
[AAG-SLV 5.01–.88]					
☐ Selected audit area					
Does the audit documentation indicate that the following were sufficiently considered, when applicable: [AU-C 500, 505, and 230] • Confirmation of cash balances • Restrictions on cash balances • Confirmation of bank credit arrangements, such as compensating balances • Confirmation of liabilities and contingent liabilities to banks • Approval of interfund cash transactions • Pledging of collateral required of depository institutions for public funds • Compliance with the laws and regulations governing the deposit of public funds • Determination that all cash accounts have been identified and appropriately recorded • Review of repurchase security transactions for consistency with the disclosures of their terms and conditions • Cash overdrafts from pooled cash and investments accounted for as an interfund receivable or payable	G201	☐	☐	☐	_____
Were reconciling items cleared by reference to subsequent statements obtained either directly from the bank or from the client and appropriately tested?	G202	☐	☐	☐	_____
Was due consideration given to cash transactions shortly before and shortly after the balance-sheet date to determine whether they were recorded in the proper period?	G203	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G204	☐	☐	☐	_____
Receivables					
[AAG-SLV 6.01–.98]					
☐ Selected audit area					
Were accounts receivable confirmed and appropriate follow-up steps taken, including second requests and alternative procedures? [AU-C 505.07 and .10–.14]	G205	☐	☐	☐	_____

[||] The "N/A" column should be used when the item either does not exist or is not material.

[#] All "No" answers should be handled in either of the following ways: (1) discussed on a Matter for Further Consideration (MFC) form with the MFC form number noted in the "Ref." column or (2) discussed on the pages provided at the end of this checklist if no MFC form was generated.

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
If accounts receivable confirmations were not requested, has the auditor documented how the presumption for such requests was overcome and were the reasons appropriate? [AU-C 330.20]	G206	☐	☐	☐	_____
If confirmation work was performed prior to year end, is there evidence that adequate substantive procedures were applied to the period from the confirmation date to the balance-sheet date? [AU-C 330.23]	G207	☐	☐	☐	_____
In the case of each nonresponse to confirmations, is there evidence that alternative auditing procedures were performed to obtain relevant and reliable audit evidence? [AU-C 505.12]	G208	☐	☐	☐	_____
Were significant notes receivable confirmed as of a date consistent with the auditor's assessment of inherent, control, and detection risks? [AU-C 330.06–.07]	G209	☐	☐	☐	_____
Were the results of confirmation and alternative procedures summarized and were appropriate conclusions included in the audit documentation? [AU-C 230.08]	G210	☐	☐	☐	_____
Was collateral (if any) for receivables tested with respect to existence, ownership, and value?	G211	☐	☐	☐	_____
Were procedures performed, such as cut-off testing, to provide evidence that receivables, and were the related revenues recorded in the correct period?	G212	☐	☐	☐	_____
Were adequate tests of discounts and allowances made?	G213	☐	☐	☐	_____
Was the reasonableness of allowances for doubtful accounts covered in the audit documentation and collectability of receivables (including interfund receivables) adequately considered? [AU-C 540.12–.14]	G214	☐	☐	☐	_____
Is there evidence in the audit documentation that inquiry and other tests were made and consideration given to whether receivables or future revenues were sold, pledged, assigned, or otherwise encumbered? [GASB 48]	G215	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G216	☐	☐	☐	_____

Inventories

[AAG-SLV 8.01–.133]

☐ Selected audit area

Does the audit documentation indicate that there were adequate consideration and tests of the following: [AU-C 500 and 230] • Physical observation, if material [AU-C 501.11] • The clerical accuracy of the inventory • Costing methods and substantiation of costs used in pricing all elements (raw material, work-in-process, and finished goods) of the inventory • Summary of inventory observation results and other tests and appropriate conclusions • Consideration to whether the inventory was carried at lower of cost or market (including consideration of obsolete or slow-moving inventory)	G217	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G218	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
Investments and Derivative Instruments					
[AAG-SLV 5.01–.88]					
☐ Selected audit area					
For investments in securities, derivative instruments, and hedging activities, did the auditor obtain an understanding of the entity's internal control sufficient for the following: • Identification of the types of potential misstatements of specific financial statement assertions (existence, completeness, rights and obligations, valuation, and presentation and disclosure) [AU-C 315.27] • Consideration of factors that affect the risk that the misstatements would be material to the financial statements [AU-C 315.27]	G219	☐	☐	☐	_____
For derivative instruments and securities measured at fair value, consider • whether the auditor should determine whether the applicable financial reporting framework specifies the method to be used to determine the fair value derivative instruments and investments in securities and evaluate whether the determination of fair value is consistent with the specified valuation method. [AU-C 501.06] • if estimates of fair value of derivative instruments or securities are obtained from broker-dealers or other third-party sources based on valuation models, the auditor should understand the method used by the broker-dealer or other third-party source in developing the estimate. [AU-C 501.07] • if derivative instruments or securities are valued by the entity using a valuation model, the auditor should obtain sufficient appropriate audit evidence supporting management's assertions about fair value determined using the model. [AU-C 501.08] • for impairment losses, the auditor should evaluate management's conclusion about the need to recognize an impairment loss for a decline in a security's fair value below its cost or carrying amount and obtain sufficient appropriate audit evidence supporting the amount of any impairment adjustment recorded, including evaluating whether the requirements of the applicable financial reporting framework have been complied with. [AU-C 501.09] • for unrealized appreciation or depreciation on derivatives, the auditor should obtain sufficient appropriate audit evidence about the amount of unrealized appreciation or depreciation in fair value of a derivative that is recognized or disclosed because of the ineffectiveness of a hedge, including evaluating whether the requirements of the applicable financial reporting framework have been complied with. [AU-C 501.10] • sufficient appropriate audit evidence was obtained to determine that land or other real estate held by permanent or term endowments were reported at fair value. • obtaining an understanding of the applicable generally accepted accounting principles (GAAP) for assertions about derivatives.	G220	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G221	☐	☐	☐	_____

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
Prepaid Items/Deferred Charges					
[AAG-SLV 8.01–.133]					
☐ Selected audit area					
Were adequate tests made for all material prepaid items and other deferred charges? [AU-C 230 and 500]	G222	☐	☐	☐	_____
Were reviews made for the deferral and amortization (or lack thereof) of these types of assets?	G223	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G224	☐	☐	☐	_____
Capital Assets, Including Intangibles					
[AAG-SLV 7.01–.79]					
☐ Selected audit area					
Was a summary schedule prepared or obtained to show beginning balances, changes during the period, and ending balances for • capital assets, including infrastructure and intangibles? • accumulated depreciation/amortization(when applicable)?	G225	☐	☐	☐	_____
Do tests appear adequate, and were proper conclusions drawn with respect to the reporting and disclosure of capital assets?	G226	☐	☐	☐	_____
Consider the following: • Beginning and ending balances • Additions (for example, by examining supporting documents or physical inspection) • Retirements (including examining miscellaneous income and scrap sales) • The adequacy of the current and accumulated provisions for depreciation and its allocation to functional expense categories • Consideration of the possibility that the property was subject to liens • Consideration that capital expenditures were classified in the proper fund accounts and made in accordance with budgetary requirements • The inclusion of intangible assets as capital assets and the proper valuation of such assets, including amortization when applicable					
Has the following been adequately considered related to impairment of capital assets pursuant to GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*? In particular, consider whether • asset impairments have been recorded for capital assets when there has been a significant and unexpected decline in the service utility of the asset. • impairments have been measured using one of the four acceptable measurement methods. • permanent impairments have been reported in the statement of activities and statement of revenues, expenses, and changes in fund net position as a program or operating expense or as a special or extraordinary item.	G227	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
• temporary impairments have not resulted in a capital asset write down.					
• any impairment losses have been reported net of insurance recoveries.					
Was adequate work performed and documented to support the conclusions about this audit area?	G228	☐	☐	☐	_____
Liabilities					
[AAG-SLV 8.01–.133]					
☐ Selected audit area					
Were accounts payable tested adequately for existence?	G229	☐	☐	☐	_____
Was an adequate search performed for unrecorded liabilities at the statement of net position or balance sheet date?	G230	☐	☐	☐	_____
Were sufficient audit procedures performed over customer and developer deposits?	G231	☐	☐	☐	_____
Was consideration given to accrued payroll liabilities (for example, pensions, compensated absences, termination benefits, claims incurred but not reported, or postemployment benefits provided to former or inactive employees prior to retirement), and to whether accrued expenses and any net pension or other postemployment benefits (OPEB) obligations were reasonably stated?	G232	☐	☐	☐	_____
Were procedures performed to determine that estimated environmental liabilities, such as municipal solid waste landfill closure and postclosure care costs and pollution remediation costs, were properly accounted for?	G233	☐	☐	☐	_____
Were procedures performed to determine whether deferred compensation plans had been appropriately accounted for?	G234	☐	☐	☐	_____
Were significant notes and bonds payable, together with interest rates and repayment periods, confirmed or alternative procedures applied?	G235	☐	☐	☐	_____
Does the audit documentation indicate that the auditor reviewed compliance with the covenants of the entity's debt obligations?	G236	☐	☐	☐	_____
Were procedures performed to determine the following related to long-term debt:	G237	☐	☐	☐	_____
• New debt issues were properly authorized as required by the state constitution or state or local statutes and recorded in the correct fund and activity type.					
• Debt restrictions, guarantees, and other debt commitments were properly disclosed.					
• Debt refunding gains, losses, and required disclosures have been properly considered, reported, and disclosed.					
Do the tests of interfund borrowings appear adequate with respect to the following: [AAG-SLV 9.16–.20]	G238	☐	☐	☐	_____
• Authorization					
• Classification					
• Ability and intent to repay					

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	Ques.	N/A	Yes	No	Ref.
Does the audit documentation contain sufficient documentation of tests of liabilities recognized for claims incurred but not reported as of the balance-sheet date?	G239	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G240	☐	☐	☐	_____

Deferred Inflows of Resources/Unearned Revenue

[AAG-SLV 6.01–.98]

☐ Significant audit area

Does the audit documentation reflect the following in regard to unearned revenue and deferred inflows of resources: • Consideration of whether the basis of recording unearned revenue is reasonable and consistent with restrictions imposed by the grantor or special assessment • For nonexchange transactions, consideration given to the revenue, unearned revenue, and deferred inflows of resources recognition	G241	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G242	☐	☐	☐	_____

Commitments and Contingencies

[AAG-SLV 4.01–.135 and 8.01–.133]

☐ Selected audit area

Does the audit documentation contain evidence of the following in regard to commitments and contingencies: • Inspection of minutes of meetings of the oversight unit, provisions of the governmental unit's charter, and applicable statutes and changes therein through the report release date • Inspection of contracts, loan agreements, leases, and correspondence from taxing and other governmental agencies, as well as similar documents through the report release date	G243	☐	☐	☐	_____
Have all material contingencies been properly considered, documented, and reported?	G244	☐	☐	☐	_____
Was appropriate consideration given to known environmental matters that could result in liabilities or contingencies?	G245	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G246	☐	☐	☐	_____

Fund Balance/Net Position and Financial Statement Reconciliations

[AAG-SLV 10.01–.33]

☐ Selected audit area

Does the audit documentation indicate the following regarding fund balance, net position, and reconciliations between the government-wide and fund financial statements? Consider whether • there was appropriate consideration regarding proper classification, description, and disclosures of components of fund balance and net position, such as the components of net position of net investment in capital assets, restricted and unrestricted.	G247	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
• in the case of a successor auditor, when there is discovery of a possible misstatement of prior period financial statements, the successor auditor undertook the appropriate procedures to communicate with the predecessor auditor. [AU-C 510.12] • capital contributions were properly accounted for and reported as revenue and not a direct increase to net position. • all material reconciling items between the fund and government-wide financial statements were properly supported and presented.					
Was adequate work performed and documented to support the conclusions about this audit area?	G248	☐	☐	☐	_____
Revenues					
[AAG-SLV 6.01–.98]					
☐ Selected audit area					
Were appropriate analytical procedures used in reviewing revenues for the period? [AU-C 520]	G249	☐	☐	☐	_____
Was adequate consideration given to the following: • The entity's revenue recognition policy • Recognition of property tax revenues • Recognition of taxpayer-assessed tax revenues • Shared tax revenues or shared imposed nonexchange revenues • Certain nonexchange transactions involving financial or capital resources • Income recognition on transactions when the earnings process was not complete • Recognition of revenues and interfund transactions in the accounting period in which they became available and measurable for fund types using the modified accrual basis of accounting • Use of material restricted revenue sources for their restricted purposes • If the entity is reimbursed by a third party for costs incurred in connection with providing services to others, — review pertinent sections of significant third-party contracts to determine the basis for reimbursement — review cost reimbursement reports and the underlying support	G250	☐	☐	☐	_____
If substantive analytical procedures were performed on revenue, was the analysis based on disaggregated data to gain greater precision, as appropriate? [AU-C 520.A22**]	G251	☐	☐	☐	_____
Was adequate work performed and documented to support the conclusions about this audit area?	G252	☐	☐	☐	_____
Expenditures/Expenses and Encumbrances					
[AAG-SLV 8.01–.133 and 11.01–.26]					
☐ Selected audit area					
Were appropriate analytical procedures used in reviewing expenditures, expenses, or both for the period? [AU-C 520]	G253	☐	☐	☐	_____

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
Have encumbrances been properly identified, supported, and recorded in governmental funds and budgetary comparisons, when applicable?	G254	☐	☐	☐	_____
Were tests of payrolls, goods and services, capital outlays, and debt service, including account distribution, made, when appropriate?	G255	☐	☐	☐	_____
Were audit tests sufficient over transactions and events related to the following:	G256	☐	☐	☐	_____
• Capital, operating, sales, and direct financing leases					
• Compensated absences					
• Deferred compensation					
• Voluntary and involuntary termination benefits					
• Pension and OPEB costs					
• Grants, entitlements, appropriations, and shared revenues provided to other governments or entities					
• Landfill closure and postclosure care costs					
• Claims and judgments, other risk financing expenses, and loss contingencies					
• Prepaid items, inventory, and debt issuance costs					
• Debt service and debt guarantees					
• Advance refunding of debt and in-substance defeasances					
Was adequate work performed and documented to support the conclusions about this audit area?	G257	☐	☐	☐	_____

Budgets

[AAG-SLV 11.01–.26]

☐ Selected audit area

If presented as part of the basic financial statements, were appropriate analytical procedures used in reviewing revenues, expenditures, or expenses for the period compared to budget? [AU-C 520]	G258	☐	☐	☐	_____
Did the auditor consider his or her responsibilities over budgetary comparison information depending on whether the information is presented as required supplementary information (RSI) or as part of the basic financial statements? [AAG-SLV 11.19–.24]	G259	☐	☐	☐	_____
Did the auditor obtain sufficient knowledge of the budget process and related controls sufficient to understand [AAG-SLV 11.25–.26]	G260	☐	☐	☐	_____
• the laws governing the budget process and how the budget is adopted and amended?					
• if the original budget and amendments are properly incorporated into the accounting records and the budgetary comparison information?					
• the legal level of budgetary control for purposes of evaluating whether expenditures in excess of appropriations in individual funds constitute a material violation of legal provisions and were appropriately disclosed?					
Was adequate work performed and documented to support the conclusions about this audit area?	G261	☐	☐	☐	_____

III. GENERAL AUDIT PROCEDURES

	Ques.	N/A[||]	Yes	No[#]	Ref.
Audit Sampling:					
Did the auditor consider the following with regard to audit sampling:	G301	☐	☐	☐	_____
• The purpose of the audit procedure and the characteristics of the population from which the sample will be drawn, when designing the audit sample? [AU-C 530.06]					
• Did the auditor determine the sample size sufficient to reduce sampling risk to an acceptably low level? [AU-C 530.07]					
• Did the auditor select items for the sample in such a way that the auditor can reasonably expect the sample to be representative of the relevant population and likely to provide the auditor with a reasonable basis for conclusions about the population? [AU-C 530.08]					
• If the auditor was unable to apply the designed audit procedures, or suitable alternative procedures to a selected item, was the item treated as a deviation from the prescribed control (in the case of tests of controls) or a misstatement (in the case of tests of details)? [AU-C 530.11]					
• Did the auditor project the results of audit sampling to the population? [AU-C 530.13]					
• Did the auditor evaluate the results of the sample, including sampling risk, and whether the use of audit sampling has provided a reasonable basis for conclusions about the population that has been tested? [AU-C 530.14]					
Substantive Analytical Procedures:					
If the auditor used analytical procedures as substantive procedures, did the auditor properly consider and document professional guidelines regarding such procedures? Did the auditor [AU-C 520]	G302	☐	☐	☐	_____
• determine the suitability of particular substantive analytical procedures for given assertions, taking into account the assessed risks of material misstatement, and test of details for these assertions? [AU-C 520.05*a*]					
• evaluate the reliability of data from which the auditor's expectation of recorded amounts or ratios is developed? [AU-C 520.05*b*]					
• develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise to identify a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated? [AU-C 520.05*c*]					
• determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation and compare the recorded amounts with expectations? [AU-C 520.05*d*]					

[||] The "N/A" column should be used when the item either does not exist or is not material.

[#] All "No" answers should be handled in either of the following ways: (1) discussed on a Matter for Further Consideration (MFC) form with the MFC form number noted in the "Ref." column or (2) discussed on the pages provided at the end of this checklist if no MFC form was generated.

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	Ques.	N/A	Yes	No	Ref.
• investigate differences, when the auditor identifies fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount, by [AU-C 520.07] — inquiring of management and obtaining appropriate audit evidence relevant to management's responses and — performing other audit procedures, as necessary? • document the following: [AU-C 520.08]: — Were the expectation of recorded amounts or ratios and the factors considered in its development when not readily determinable from the audit documentation? — Were the results of comparison of recorded amounts to expectations? — Were additional auditing procedures performed relating to the investigation of fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount and the results of such additional procedures?					
Material Accounting Estimates:					
Did the auditor properly consider and document the procedures applied to material accounting estimates, when applicable? Consider the following:	G303	☐	☐	☐	____
• The auditor should obtain an understanding of the following in order to provide a basis for the identification of the risks of material misstatement for accounting estimates: [AU-C 540.08] — The requirements of the applicable financial reporting framework relevant to accounting estimates, including related disclosures — How management identifies those transactions, events, and conditions that may give rise to the need for accounting estimates to be recognized or disclosed in the financial statements — How management makes the accounting estimates and data on which they are based • The auditor should review the outcome of accounting estimates included in prior period financial statements or, when applicable, their subsequent re-estimation for the purpose of the current period. [AU-C 540.09] • When responding to the assessed risks of material misstatement, the auditor should [AU-C 540.13] — determine whether events occurring up to the date of the auditor's report provide evidence regarding the accounting estimate; — test how management made the accounting estimate and the data on which it is based; — test the operating effectiveness of the controls over how management made the accounting estimate, together with appropriate substantive procedures; and — develop a point estimate or range to evaluate management's point estimate.					

	Ques.	N/A	Yes	No	Ref.
• If management has not adequately addressed the effects of estimation uncertainty on the accounting estimates that give rise to significant risks, the auditor should, if considered necessary, develop a range with which to evaluate the reasonableness of the accounting estimate. [AU-C 540.16]					
Representation Letters:					
Did the auditor obtain written representations from current management with appropriate responsibilities for the financial statements and knowledge of the matters concerned? [AU-C 580] Consider the following:	G304	☐	☐	☐	_____
• The representation letter was properly dated and covered all periods referred to in the auditor's report. [AU-C 580.20]					
• The letter contains an acknowledgement that management has fulfilled its responsibility for preparation and fair presentation of the financial statements and for internal controls relevant to the preparation and fair presentation of the financial statements. [AU-C 580.10]					
• The letter acknowledges that management has provided the auditor with all relevant information and access, and all transactions have been recorded and are reflected in the financial statements [AU-C 580.11*g*]					
• The letter disclosed management's representations related to the following:					
— Fraud [AU-C 580.12]					
— Laws and regulations [AU-C 580.13]					
— Litigation and claims [AU-C 580.15]					
— Related party transactions [AU-C 580.17]					
— Subsequent events [AU-C 580.18]					
• The letter provides representations about whether management believes the effects of uncorrected misstatements are immaterial to the financial statements as a whole. A summary of such items should be included, or attached to, the written representation. [AU-C 580.14]					
• If the auditor determines that it is necessary to obtain one or more written representations to support other audit evidence relevant to the financial statements or more specific assertions in the financial statements, the auditor should request such other representations. [AU-C580.19]					
Did the auditor obtain written representations from current management with appropriate responsibilities for the financial statements and knowledge of the matters concerned regarding specific representations related to a governmental audit? [AAG-SLV 13.10] Consider the following:	G305	☐	☐	☐	_____
• Management has disclosed all instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements (for example, tax or debt limits and debt covenants).					

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	Ques.	N/A	Yes	No	Ref.
• Management is responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; management has disclosed to the auditor the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud; management has disclosed its knowledge of fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and management's knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements.					
• Management has indicated whether it believes the effects of the uncorrected financial statement misstatements are immaterial, individually and in the aggregate, to the financial statements as a whole for each opinion unit.					
• Management acknowledges (*a*) its responsibility for the RSI; (*b*) that the RSI is measured and presented in accordance with prescribed guidelines; and (*c*) 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 (*d*) any significant assumptions or interpretations underlying the measurement or presentation of RSI.					
• Management acknowledges (*a*) its responsibility for the presentation of the supplementary information (SI) in accordance with the applicable criteria; (*b*) that it believes the SI, including its form and content, is fairly presented in accordance with applicable criteria; (*c*) that the methods of measurement or presentation have not changed from those used in the prior period or, if the methods of measurement or presentation have changed, the reasons for such changes; (*d*) about any significant assumptions or interpretations underlying the measurement of the SI; and (*e*) that when SI is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the SI and the auditor's report thereon.					
Did the auditor obtain timely and appropriate responses from the entity's attorneys concerning litigation, claims, and assessments, or document the basis for not seeking direct communication with the entity's legal counsel? [AU-C 501.18–.24]	G306	☐	☐	☐	_____
Compliance With Laws and Regulations and Other Compliance Testing:					
Did the auditor inspect correspondence, if any, with relevant licensing or regulatory authorities? [AU-C 250.14*b*]	G307	☐	☐	☐	_____
Did the auditor properly consider, perform, and document tests of compliance with applicable laws and regulations that have a direct and material effect on the various opinion units within the basic financial statements, including the following, when applicable:	G308	☐	☐	☐	_____
• If the auditor's procedures disclosed instances or indications of noncompliance with laws and regulations, did the auditor apply procedures and evaluate the results of those procedures in accordance with professional standards? [AU-C 250] Consider the requirements for the auditor to	G309	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
— follow up in accordance with professional standards. [AU-C 250.17–.20]					
— report the noncompliance with laws and regulations to those charged with governance in accordance with professional standards. [AU-C 250.21–.23]					
— document a description of the identified or suspected noncompliance with laws and regulations and the results of discussions with management and, when applicable, those charged with governance and other parties inside or outside the entity. [AU-C 250.28]					
Going Concern Considerations:					
Did the auditor consider if there was substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time? [AU-C 570.03–.04]	G310	☐	☐	☐	____
If the auditor believed that there was substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time, did the auditor perform appropriate procedures? [AU-C 570] Consider if	G311	☐	☐	☐	____
• the auditor obtained information about management's plans that are intended to mitigate the effect of such conditions or events and evaluate the likelihood that such plans could be implemented effectively. [AU-C 570.08–.11]					
• the auditor documented [AU-C 570.22]					
— the conditions or events that led to the belief that there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.					
— the elements of management's plans that the auditor considered to be particularly significant to overcoming the adverse effects of the conditions or events.					
— the auditing procedures performed and evidence obtained in connection with the auditor's evaluation of management's plans.					
— the auditor's conclusions about whether substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remains or is alleviated.					
— the consideration and effect of the auditor's conclusion on the financial statements, disclosures, and the audit report.					
• the auditor's substantial doubt was alleviated; the auditor considered the need for disclosure of the principal conditions and events that initially caused the auditor to believe there was substantial doubt together with the mitigating factors. [AU-C 570.13]					
• the auditor's substantial doubt was not alleviated; the auditor's report included an emphasis-of-matter paragraph that adequately reflects that conclusion. The auditor's conclusion should be expressed through the use of the terms *substantial doubt* and *going concern*. [AU-C 570.15–.16]					

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
Did the written representations from management include [AU-C 570.14]	G312	☐	☐	☐	_____
• management's plans that are intended to mitigate the adverse effects of conditions or events that indicate there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time and the likelihood that those plans can be effectively implemented?					
• a statement that the financial statements disclose all the matters of which management is aware that are relevant to the entity's ability to continue as a going concern, including principal conditions or events and management's plans?					
Communication of Internal Control Related Matters:					
Did the auditor report matters relating to the internal control to management and those charged with governance? [AU-C 265] Consider if	G313	☐	☐	☐	_____
• deficiencies in internal control were identified during the audit; the auditor performed an evaluation of each deficiency to determine, on the basis of the work performed, if the deficiencies constituted significant deficiencies or material weaknesses. [AU-C 265.09]					
• prudent officials, having knowledge of the same facts and circumstances, would likely reach the same conclusion as the auditor's classification of the control deficiencies (for instance, material weakness, significant deficiency, or control deficiency). [AU-C 265.10]					
• other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention. If other deficiencies in internal control are communicated orally, the auditor should document the communication. [AU-C 265.12*b*]					
• the auditor complied with the requirement not to issue a written report stating that no significant deficiencies were identified during an audit. [AU-C 265.16]					
Did the written communication regarding significant deficiencies and material weaknesses include or state the following: [AU-C 265.14]	G314	☐	☐	☐	_____
• The purpose of the audit was to express an opinion on the financial statements, but not to express an opinion on the effectiveness of the entity's internal control over financial reporting?					
• The auditor is not expressing an opinion on the effectiveness of internal control?					
• The definition of the term *material weakness* and, when relevant, *significant deficiency*?					
• An explanation of potential effects of any significant deficiencies or material weaknesses?					
• An appropriate alert restricting the use of the communication?					

	Ques.	N/A	Yes	No	Ref.
Subsequent Events:					
Did the auditor consider information and apply appropriate professional guidance with respect to events occurring subsequent to the date of the audit report? [AU-C 560] Consider the following: • The auditor considered appropriate procedures regarding events subsequent to the balance-sheet date through the date of the auditor's report. [AU-C 560.09–.10] • The auditor gave appropriate consideration to additional evidence that becomes available prior to the issuance of the financial statements. [AU-C 560.12–.14] • If the auditor, subsequent to the date of the report, became aware of facts that may have existed at that date that might have affected the report on the financial statements had the auditor then been aware of such information, the auditor considered the guidance in professional standards in determining an appropriate course of action and the matter appears to be properly resolved. [AU-C 560.15–.18] • If there is an indication that the auditor concluded that one or more auditing procedures considered necessary at the time of the audit of the financial statements in the circumstances were omitted from the audit, the auditor considered the guidance in professional standards in determining an appropriate course of action and the matter appears to be properly resolved. [AU-C 585]	G315	☐	☐	☐	_____
Evaluating Audit Findings:					
If the auditor concluded that, or is unable to conclude whether, the financial statements (opinion units) are materially misstated, did the auditor appropriately modify the opinion in the auditor's report on the financial statements? [AU-C 700.20 and AU-C 705]	G316	☐	☐	☐	_____
Communication With Those Charged With Governance:					
Did the auditor substantively meet the professional standards regarding auditor communications as follows: • Properly determine the appropriate persons within the audited entity's governance structure with whom to communicate? [AU-C 260.07–.09] • Communicate the following matters to those charged with governance, when applicable: — The auditor's responsibilities for forming and expressing an opinion on the financial statements under the applicable financial reporting framework, and that the audit does not relieve management or those charged with governance of their responsibilities? [AU-C360.10] — An overview of the planned scope and timing of the audit? [AU-C 360.11] — The auditor's views about qualitative aspects of the entity's significant accounting practices? [AU-C 260.12*a*] — Any significant difficulties encountered during the audit? [AU-C 260.12*b*] — Any disagreements with management? [AU-C 260.12*c*]	G317	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
— Other findings or issues significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process? [AU-C 260.12*d*]					
— Uncorrected misstatements and the effect they may have on the auditor's report? The auditor should identify material uncorrected misstatements individually and request that they be corrected. [AU-C 260.13*a*]					
— The effect of uncorrected misstatements related to prior periods? [AU-C 260.13*b*]					
— Material, corrected misstatements that were brought to the attention of management as a result of audit procedures? [AU-C 260.14*a*]					
— Any significant findings or issues arising from the audit that were discussed or communicated to management? [AU-C 260.14*b*]					
— Management's consultation with other accountants, if any? [AU-C 260.14*c*]					
— Representations the auditor has requested from management? [AU-C 260.14*d*]					
• Communicate the form, timing, and expected general content of the auditor's communication with those charged with governance? [AU-C 260.15]					
• Communicate, in a timely manner, and in writing, the significant audit findings when, in the auditor's judgment, oral communication would not be adequate; and include in the written communication that it is intended solely for the information and use of those charged with governance and management, and is not intended to be, and should not be, used by anyone other than these specified parties? [AU-C 260.16–.17]					
• Consider whether the two-way communication between the auditor and those charged with governance has been adequate for the purpose of the audit, and if not, the auditor should evaluate the effect on the auditor's assessment of risks of material misstatement and ability to obtain sufficient appropriate audit evidence and take appropriate action? [AU-C 260.19]					
• Document whether the information was communicated and if the communication was oral, include when and to whom it was communicated? [AU-C 260.20]					
Audit Documentation:					
Has the auditor prepared and maintained documentation in accordance with professional standards? Consider the following requirements: [AU-C 230]	G318	☐	☐	☐	____
• The audit documentation provides evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the auditor and evidence that the audit was planned and performed in accordance with GAAS and applicable legal and regulatory requirements [AU-C 230.02]					

	Ques.	N/A	Yes	No	Ref.
• The audit documentation is sufficient to enable an experienced auditor having no previous connection to the audit to understand the nature, timing, and extent of procedures performed; results of the procedures performed; audit evidence obtained; and significant findings or issues arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions. [AU-C 230.08]					
• In documenting the nature, timing, and extent of audit procedures performed, the auditor should record [AU-C 230.09]					
— the identifying characteristics of the specific items or matters tested,					
— who performed the audit work and the date such work was completed, and					
— who reviewed the audit work performed and the date and extent of such review.					
• For audit procedures related to the inspection of significant contracts or agreements, the auditor should include abstracts or copies of those contracts or agreements in the audit documentation. [AU-C 230.10]					
• The auditor should document discussions of significant findings or issues with management, those charged with governance, and others, including the nature of significant findings or issues discussed and when and with whom the discussions took place. [AU-C 230.11]					
• If the auditor departs from a presumptively mandatory GAAS requirement, the auditor documented the justification for the departure and how other procedures performed in the circumstances were sufficient to achieve the intent of that requirement. [AU-C 230.13]					
• If the auditor performs new or additional audit procedures or draws new conclusions after the date of the auditor's report, the auditor should document the circumstances encountered; the new or additional procedures performed, audit evidence obtained, conclusions reached, and their effect on the auditor's report; and when and by whom the resulting changes to audit documentation were made and reviewed. [AU-C 230.14]					
• The auditor should document the report release date in the audit documentation. [AU-C 230.15]					
• The auditor's documentation was consistent with the assembling of the engagement documentation file and completion of the administrative process of assembling the audit file on a timely basis, no later than 60 days following the report release date. [AU-C 230.16]					
• The auditor's documentation established reasonable procedures for retention of and access to audit documentation for a period of at least five years. [AU-C 230.17]					
• If the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the documentation completion date, the auditor should document the specific reasons for making the change and when and by whom it was made and reviewed. [AU-C 230.18]					

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
• The auditor should adopt reasonable procedures to maintain the confidentiality of client information. [AU-C 230.19] • A record of the significant changes to the overall strategy and audit plan and resulting changes to the planned nature, timing, and extent of audit procedures explain why the significant changes were made and why the overall strategy and audit plan were finally adopted for the audit. It also reflects the appropriate response to the significant changes occurring during the audit. [AU-C 300.A23**] • Documentation of the testing performed on the reconciling items and journal entries reconciles the government-wide and fund financial statements. [AAG-SLV 10.19–.21] • Levels of performance materiality for each opinion unit are used in the audit. [AAG-SLV 4.81–.84] • Summary of uncorrected misstatements related to known and likely misstatements, unless considered trivial, including those corrected by management, is provided. [AAG-SLV 13.02–.06] • The auditor's conclusion concerning whether uncorrected misstatements, individually or in the aggregate, cause the financial statements to be materially misstated, and the basis for that conclusion is provided. [AAG-SLV 13.02–.06]					
Were appropriate procedures applied to accompanying SI [AU-C 725.05–.08] and RSI? [AU-C 730]	G319	☐	☐	☐	_____
For the engagement, did the personnel adequately complete all forms, checklists, or questionnaires, if applicable, required by firm policy for the following areas? [QC 10.35–.51 and QC 10.A32–.A62] • Work program • Disclosure and reporting checklist • Working paper and financial statement reviews	G320	☐	☐	☐	_____
If standardized forms were not used for any of the preceding areas, is there adequate documentation of these areas? [QC 10.35–.51 and QC 10.A32–.A62]	G321	☐	☐	☐	_____
Were the firm's guidelines for the form and content of working papers complied with? [QC 10.35–.51 and QC 10.A32–.A62]	G322	☐	☐	☐	_____
Supervision and Review:					
Did the engagement partner take responsibility for the following: [AU-C 220.17] • The direction, supervision, and performance of the audit engagement in compliance with professional standards, applicable legal and regulatory requirements, and the firm's policies and procedures? • The auditor's report being appropriate in the circumstances?	G323	☐	☐	☐	_____
Did the engagement partner take responsibility for reviews being performed in accordance with the firm's review policies and procedures? [AU-C 220.18]	G324	☐	☐	☐	_____
Did the engagement partner, through review of the audit documentation and discussion with the engagement team, determine that sufficient appropriate audit evidence was obtained to support the auditor's report issued? [AU-C 220.19]	G325	☐	☐	☐	_____

	Ques.	N/A	Yes	No	Ref.
Did the auditor perform substantive procedures relating to the financial statement closing process, such as agreeing or reconciling the financial statements with the underlying accounting records and examining material journal entries and other adjustments made during the course of preparing the financial statements? [AU-C 330.21]	G326	☐	☐	☐	_____
Did the auditor determine whether uncorrected misstatements were material, either individually or in the aggregate, to the financial statements (opinion units)? The auditor should consider the following: [AU-C 450.11] • The size and nature of the misstatements, both in relation to particular classes of transactions, account balances, or disclosures and the financial statements as a whole, and the particular circumstances of their occurrence • The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, or disclosures and the financial statement as a whole	G327	☐	☐	☐	_____
Does it appear (lack of contrary evidence) that the firm complied with its policies to assign management responsibilities so that commercial considerations did not override the quality of work performed; complied with its policies and procedures that address performance evaluation, compensation, and advancement (including incentive systems) with regard to its personnel, in order to demonstrate the firm's overarching commitment to quality; and provided sufficient and appropriate resources for the development, documentation, and support of its quality control policies and procedures? [QC 10.A5]	G328	☐	☐	☐	_____
Does it appear engagement personnel (including leased and per diem employees) possessed an appropriate mix of experience, expertise, and technical training in relation to the complexity or other requirements of the engagement and the involvement of supervisory personnel? [QC 10.A11]	G329	☐	☐	☐	_____
Did the personnel assigned to this engagement appear to be familiar with the applicable professional pronouncements (FASB, GASB, and AICPA)? [QC 10.A11]	G330	☐	☐	☐	_____
Does it appear that the firm complied with its policies and procedures to ensure that the engagement team was provided sufficient time to carry out its work? [QC 10.A11] • Consider if the engagement team's audit hours appeared reasonable for this engagement (including prior to commencement of field work, during and after completion of field work, and partner involvement)	G331	☐	☐	☐	_____
Does it appear that the practitioner in charge of the engagement possessed the knowledge, skills, and abilities (competencies) to fulfill his or her responsibilities on the engagement including an understanding of [QC 10.A18–.A21 and QC 10.A24–.A35] • the role of the firm's system of quality control and the AICPA's Code of Professional Conduct and, if applicable, chapter 3 of *Government Auditing Standards*? • the performance, supervision, and reporting aspects of the engagement?	G332	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
• the applicable accounting, auditing, or attestation professional standards, including those standards directly related to the industry in which a client operates?					
• the industry in which a client operates, including the industry's organization and operating characteristics, to identify the areas of high or unusual risk associated with an engagement and to evaluate the reasonableness of industry specific estimates?					
• the skills that indicate sound professional judgment?					
• how the organization is dependent on or enabled by information technologies and the manner in which information systems are used to record and maintain financial information?					
If required by firm policy, was the staff on this engagement appropriately evaluated? [QC 10.32 and QC 10.A22–.A23]	G333	☐	☐	☐	_____
Does it appear that involvement by the owner, partner, manager, and when applicable, the engagement quality control reviewer was adequate and appropriately timed to provide for planning and supervision as the job progressed? [QC 10.35–.51 and QC 10.A32–.A62]	G334	☐	☐	☐	_____
If required by firm policy, was an appropriate preissuance review completed and documented? [QC 10.35–.51 and QC 10.A32–.A62]	G335	☐	☐	☐	_____
Were the firm's guidelines for the performance of an engagement quality review complied with? [QC 10.35–.51 and QC 10.A32–.A62]	G336	☐	☐	☐	_____
Were any circumstances noted in which the firm consulted or should have consulted regarding an engagement matter (for instance, a complex, unusual, or technical issue) with individuals within the firm, with an external party, or by researching in applicable professional literature, based on the firm's policies and procedures or when the complexity or nature of the issue warranted consultation? [QC 10.35–.51 and QC 10.A32–.A62] Consider the following:	G337	☐	☐	☐	_____
• If an individual was consulted (internally or externally), was the consultation done on a timely basis and, does it appear he or she was aware of all relevant facts and circumstances?					
• If professional literature was researched, does it appear the research was thorough and the sources consulted were complete, correct, and up-to-date?					
• Does it appear the person(s) consulted (internally or externally) or the individual(s) performing the research had an appropriate level of knowledge, competence, and judgment and, if applicable, authority?					
• Based on the facts and circumstances, were the firm's conclusions reasonable and consistent with professional standards?					
• Is the firm's report, the financial statements, or other information affected by the matter consistent with the results of the consultation?					
• If the engagement records indicated a difference of opinion between the engagement personnel (including leased and per diem employees) and specialist or other consultant, was the difference resolved in accordance with firm policy and was the basis of the resolution appropriately documented?					

IV. REPORT AND FINANCIAL STATEMENTS

	Ques.	N/A[‖]	Yes	No[#]	Ref.
Auditor's Reports:					
Does (do) the auditor's report(s) on the basic financial statements of the reporting entity or primary government only financial statements include all required matters concerning the financial position and results of financial operations of the governmental entity's respective opinion units and cash flows of proprietary funds, as applicable? [AU-C 700; AAG-SLV 14.01–.79]	G401	☐	☐	☐	_____
If the financial statements were prepared in conformity with the requirements of a governmental regulatory agency and are intended solely for filing with that regulatory agency, has an other-matter paragraph been included that restricts the use of the report solely to those within the entity, the parties to the contract or agreement, or the regulatory agency to whose jurisdiction the entity is subject? [AU-C 800.20; AAG-SLV 15.13*d*]	G402	☐	☐	☐	_____
If the financial statements were prepared in conformity with the requirements of a governmental regulatory agency and the report is intended for distribution other than solely for filing with that regulatory agency, does the report consist of the standard form of report appropriately modified for departures from GAAP and include an additional paragraph expressing an opinion on whether the financial statements are prepared in accordance with the special purpose framework? [AU-C 700 and 800.21; AAG-SLV 15.15]	G403	☐	☐	☐	_____
Is the report dated in conformity with the requirements of professional standards? [AU-C 700.41]	G404	☐	☐	☐	_____
• The audit report should be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence that					
— the audit documentation has been reviewed;					
— all the statements that the financial statements comprise, including the related notes, have been prepared; and					
— management has asserted that it has taken responsibility for those financial statements.					
Does the report appropriately include the basic elements required under professional standards and is appropriate language used for modifying the opinion in the circumstances described in such standards? [AU-C 700.22–.41 and 705] The report should	G405	☐	☐	☐	_____
• be in writing. [AU-C 700.22]					
• include the word *independent* in the title. [AU-C 700.23]					
• be addressed as required by the circumstances of the engagement. [AU-C 700.24 and .A19**]					

[‖] The "N/A" column should be used when the item either does not exist or is not material.

[#] All "No" answers should be handled in either of the following ways: (1) discussed on a Matter for Further Consideration (MFC) form with the MFC form number noted in the "Ref." column or (2) discussed on the pages provided at the end of this checklist if no MFC form was generated.

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	Ques.	*N/A*	*Yes*	*No*	*Ref.*
• identify the entity whose financial statements have been audited, state that the financial statements have been audited, identify the title of each statement that the financial statements comprise, and specify the date or period covered by each financial statement that the financial statements comprise. [AU-C 700.25]					
— refer to each opinion unit covered by the report, even though some of those opinion units do not have distinct or separate financial statements. (The reference in the introductory paragraph to the financial statements for the aggregate remaining fund information is meant to refer to the aggregate of the financial statements for the funds and fund types that comprise that opinion unit.) [AAG-SLV 14.14]					
— identify the title of each statement (and the related notes thereto) [AU-C 700.A22] that the financial statements comprise. [AU-C 700.25 and .A22–.A23**; AAG-SLV 14.14]					
— refer to the government's major funds individually, or alternatively, refer to them in a general manner if the financial statements clearly identify which governmental and enterprise funds are major. [AAG-SLV 14.16]					
— specify the date or period covered by each financial statement that the financial statements comprise. [AU-C 700.25 and .A20–.A23**]					
• include a section with the heading "Management's Responsibility for the Financial Statements." [AU-C 700.26; AAG-SLV 14.18]					
• describe management's responsibility for the preparation and fair presentation of the financial statements. The description of management's responsibility should not be referenced to a separate statement by management about such responsibilities, if such a statement is included in a document containing the auditor's report. [AU-C 700.27–.28 and .A24–.A25**]					
• include a section with the heading "Auditor's Responsibility" and state that the responsibility of the auditor is to express an opinion on the financial statements based on the audit. [AU-C 700.29–.30]					
• state that the audit was conducted in accordance with GAAS and should identify the United States of America as the country of origin of those standards. [AU-C 700.31 and .A2**]					
• include a section with the heading "Opinion" or "Opinions," if there are multiple opinion units. [AU-C 700.34]					
• identify the applicable financial reporting framework and its origin. [AU-C 700.36; AAG-SLV 14.28–.29]					
• be appropriately modified in accordance with professional standards, if applicable. [AU-C 705]					
• if applicable, should cover information that is not required by the applicable financial reporting framework, but is nevertheless presented as part of the basic financial statements if it cannot be clearly differentiated (such as budgetary comparisons). [AU-C 700.58]					

	Ques.	N/A	Yes	No	Ref.
Note: Practitioners opining on financial statements prepared using a special purpose framework[2] may wish to refer to the AICPA's Practice Aid *Applying OCBOA in State and Local Government Financial Statements*.					
Does the report include all the required elements for a special purpose financial statement? [AU-C 800; AAG-SLV 15.13] Consider the following: • The explanation of management's responsibility should also make reference to its responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances, when management has a choice of financial reporting frameworks in the preparation of such financial statements. [AU-C 800.18*a*] • The report should describe the purpose for which the financial statements are prepared or refer to a note that contains that information, when the financial statements are prepared in accordance with a regulatory or contractual basis of accounting. [AU-C 800.18*b*] • Professional standards have been properly complied with for reports on single financial statements and specific elements. [AU-C 805] • If the special purpose financial statements are not prepared in accordance with a regulatory basis of accounting intended for general use, then the report should include an emphasis-of-matter paragraph under an appropriate heading that indicates that the financial statements are prepared in accordance with the applicable special purpose framework, refers to the note to the financial statements that describes that framework, and states that the special purpose framework is a basis of accounting other than GAAP. [AU-C 800.19 and .21] • If the auditor is required by law or regulation to use a specific layout, form, or wording of the auditor's report, the auditor's report should contain the minimum elements required by GAAS. [AU-C 800.22]	G406	☐	☐	☐	_____
Has the auditor's report on the financial statements been appropriately modified with explanatory language for the following circumstances, if applicable: [See examples in AAG-SLV 14, appendix A] • Appropriate reference was made to the audit of a component auditor in the auditor's report if the auditor decides to make reference instead of assume responsibility. [AU-C 600.27–.30] • To prevent the financial statements from being misleading because of unusual circumstance, the financial statements contain a departure from an accounting principle promulgated by a body designated by the AICPA Council to establish such principles. [AU-C 700.A14–.A15**] • There is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. [AU-C 570.12–.16]	G407	☐	☐	☐	_____

[2] The cash, tax, regulatory, and other bases of accounting that utilize a definite set of logical, reasonable criteria that is applied to all material items appearing in financial statements are commonly referred to as other comprehensive bases of accounting.

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	Ques.	N/A	Yes	No	Ref.
• There has been a material change between periods in accounting principles or in the method of their application. [AU-C 708.07–.09]					
• Other significant or unusual situations appropriately presented or disclosed in the financial statements about which the auditor considers it necessary to include an emphasis-of-matter paragraph. [AU-C 706.A2**]					
• RSI has been omitted, the presentation departs materially from the guidelines, the auditor is unable to complete prescribed procedures with respect to the RSI, or the auditor is unable to remove substantial doubt about the conformance of the RSI to the guidelines. [AU-C 730.07]					
• Other information in a document containing the audited financial statements is materially inconsistent with the information in the financial statements. [AU-C 720.09–.18]					
• The omission of any required basic financial statements as required by the applicable financial reporting framework. [AU-C 705.A7*d***]					
If the financial statements of a prior period are presented and have been audited by a predecessor auditor whose report is not presented, and the predecessor auditor's report on the prior period's financial statements is not reissued, has the successor auditor included the appropriate reference to the predecessor auditor in an other-matter paragraph? [AU-C 700.54]	G408	☐	☐	☐	____
When the entity presents SI with the financial statements, the auditor should report on the SI in either (1) an other-matter paragraph in accordance with AU-C section 706, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report* (AICPA, *Professional Standards*), or (2) in a separate report on the SI. The other-matter paragraph or separate report should include the following elements: [AU-C 725.09]	G409	☐	☐	☐	____
• A statement that the audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements [AU-C 725.09*a*]					
• A statement that the SI is presented for purposes of additional analysis and is not a required part of the basic financial statements [AU-C 725.09*b*]					
• A statement that the SI is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements [AU-C 725.09*c*]					
• A statement that the SI has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves and other additional procedures, in accordance with GAAS [AU-C 725.09*d*]					

	Ques.	N/A	Yes	No	Ref.
• If the auditor issues an unmodified opinion on the financial statements and the auditor has concluded that the SI is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor's opinion, the SI is fairly stated, in all material respects, in relation to the basic financial statements as a whole [AU-C 725.09*e*]					
• If the auditor issues a qualified opinion on the financial statements and the qualification has an effect on the SI, a statement that, in the auditor's opinion, except for the effects on the SI of (refer to the paragraph in the auditor's report explaining the qualification), such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole [AU-C 725.09*f*]					
• If an adverse opinion or disclaimer of opinion was issued on the basic financial statements, the auditor cannot issue an opinion on SI. [AU-C 725.05*d*]					
For RSI, did the auditor perform required procedures and report on the information in an other-matter paragraph? [AU-C 730]	G410	☐	☐	☐	____
Financial Statement Presentations:					
Financial Presentation Content:					
If the presentation is intended to meet the minimum requirements for general purpose external financial reporting (for instance, not a single financial statement presentation or limited reporting engagement financial statements), does the presentation include the following, when applicable: [GASB 2200.102–.103]	G411	☐	☐	☐	____
• Management's discussion and analysis					
• Basic financial statements, such as					
— government-wide financial statements on net position and activities					
— appropriate fund financial statements					
— appropriate presentations related to major funds					
— reconciliations between government-wide and fund financial statements, when appropriate					
— cash flow statements for proprietary funds using the direct method					
— budgetary comparison statements within the basic financial statements when such reporting option as a basic financial statement is elected					
— notes to the financial statements					
• RSI other than the Management's Discussion & Analysis (MD&A), when applicable, including the following:					
— Budgetary comparison schedules when not reported within the basic financial statements [GASB 2200.181–.183 and 2400.102–.104]					
— Schedules of funding progress and employer contributions, for entities participating in a sole or agent defined benefit pension plan [GASB Pe5.125–.132]					

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	Ques.	N/A	Yes	No	Ref.
— Schedules of funding progress and of employer contributions for OPEB plans that are administered [GASB 43 par. 13, 17, and 31 (GASB Cod. sec. Po50.109, .113, .127, and 2200 fn 41)]					
— Asset condition schedules for governmental entities using the modified approach for infrastructure assets [GASB 1400.118–.119]					
Do the government-wide and fund financial statements contain the appropriate content and presentation format, and are the financial statements free of any material undisclosed departures from the basis of accounting purported to be presented? [GASB 2200]	G412	☐	☐	☐	_____
If the financial statements are intended to be a presentation in accordance with a special purpose framework, do the financial statements contain the appropriate accounts and contents for such a presentation consistent with the basis of accounting purported, including applicable note disclosures? [AU-C 800]	G413	☐	☐	☐	_____

Note: Practitioners opining on financial statements prepared using a special purpose framework[3] may wish to refer to the AICPA Practice Aid *Applying OCBOA in State and Local Government Financial Statements.*

If the financial statements are intended to be a complete presentation for a special-purpose government, do the financial statements contain the appropriate contents for such presentation? [GASB Sp20]	G414	☐	☐	☐	_____
Are the financial statements suitably titled? [Generally Accepted]	G415	☐	☐	☐	_____

Management's Discussion and Analysis:

Is MD&A materially complete and confined to the following, if relevant: [GASB 2200.106–.109]	G416	☐	☐	☐	_____

- A brief discussion of the basic financial statements, including the relationship of the statements to each other and the significant differences in the information they provide
- Condensed financial information and related analysis from the government-wide statements comparing current year to prior year (when comparative financial statements are presented, this comparison should be for each year presented)
- An analysis of the government's overall financial position and results of operations that addresses whether financial position has improved or deteriorated as a result of the year's operations
- An analysis of balances and transactions of individual funds, including reasons for changes in fund balances or net position
- An analysis of significant variations between original and final budget amounts and between final budget amounts and actual results for the general fund or its equivalent

[3] See footnote 2.

	Ques.	N/A	Yes	No	Ref.
• A description of significant capital asset and long-term debt activity for the year, including a discussion of capital expenditure commitments, changes in credit ratings, and any debt limitations that may affect future financing					
• A description of assessed condition information for governments that use the modified approach for reporting infrastructure assets					
• A description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations					
Budgetary Comparison Schedules/Statements:					
Does the presentation include the following budgetary information, when applicable: [GASB 2200.181–.183 and 2400.102–.104]	G417	☐	☐	☐	_____
• Budgetary comparisons for the general fund and each major special revenue fund that has a legally adopted annual budget, or as an alternative for governments that are unable to present budgetary comparisons for the general fund and each major special revenue fund due to significant budgetary perspective differences, a budgetary comparison for an organization or program perspective that is legally adopted [GASB 2200.182 and 2400.102]					
• The original budget, final budget, and actual balances for the audit period [GASB 2200.182 and 2400.102]					
• If the budgetary information is different from GAAP or the basis of presentation in the basic financial statements, accompanying information that reconciles budgetary information to GAAP or OCBOA information (either in a schedule or in the notes to RSI) [GASB 2200.183 and 2400.103 and .119]					
Modified Approach on Eligible Infrastructure Assets, If Elected:					
Does the presentation include the following RSI schedules: [GASB 1400.118–.119]	G418	☐	☐	☐	_____
• Assessed condition of the infrastructure assets, performed at least every three years, for the three most recent complete condition assessments					
• Estimated annual amount calculated and actual amounts expensed to preserve and maintain the condition level established for the assets, for each of the past five reporting periods					
Comparative Financial Statements:					
If the auditor is expressing an opinion on comparative information of the prior period, does the prior period's information contain sufficient detail to constitute a fair presentation in conformity with GAAP? [AU-C 700.44–.47]	G419	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
Component Units:					
If the governmental entity presentation includes component units, do the presentations meet the following requirements, when applicable: [GASB 2600]	G420	☐	☐	☐	____
• The component units included within the reporting entity financial statements meet the component unit criteria. [GASB 2100.119–.141]					
• If separate financial statements of a component unit are issued, the relationship of the component unit to the reporting or oversight entity is disclosed. [GASB 2600.125]					
• In the reporting entity financial statements of the primary government, the component units are properly reported as blended or discrete. [GASB 2600.107–.117]					
• Component units that are fiduciary in nature have been properly excluded from the government-wide presentation and only included in the fund financial statements. [GASB 2600.107]					
• All other nonfiduciary discretely presented component units have been reported in a separate column or columns to the right of the total column for the primary government statements. [GASB 2600.107]					
Note Disclosures:					
Summary of Significant Accounting Policies Disclosures:					
Are the disclosures adequate regarding the following significant accounting policies:	G421	☐	☐	☐	____
• Description of the government-wide financial statements noting the exclusion of fiduciary activities and similar component units [GASB 2300.106*a*]					
• Description of component units, their relationships to the primary government, how they are reported (blended or discretely presented) and the reasons therefore; the criteria for including component units (that is, the reason[s] an entity is reported as a component unit); how to obtain separate financial statements for individual component units; and the effect of component units with differing fiscal years [GASB 14 par. 60, as amended (GASB Cod. Sec. 2300.901 and 2600.119); GASB 14 par. 61 (GASB Cod. Sec. 2300.106a and .901 and 2600.120)]					
• A description of the activities accounted for in the columns for major funds, internal service funds, and fiduciary fund types presented in the basic financial statements [GASB 2300.106*a* and 1300.125]					
• Measurement focus and basis of accounting applied to the government-wide presentations and the fund financial statements [NCGAI 6, appendix, as amended (GASB Cod. Sec. 2300.901); GASB 34, par. 115 as amended by GASB 63 par. 8 (GASB Cod. Sec. 2300.106a)]					

	Ques.	N/A	Yes	No	Ref.
• Revenue recognition policies in the fund financial statements, including the length of time used to define "available" for the purposes of revenue recognition under the modified accrual basis of accounting [NCGA 1 par. 69 (GASB Cod. Sec. 1600.108 and 2300.106a); GASB 38 par. 7 (GASB Cod. Sec. 1600.106 and 2300.106a); GASB 34 par. 115 as amended by GASB 63 par. 8]					
• Policy for elimination of internal activity in the government-wide financial statements [GASB 2300.106*a*(6) and 2200.131]					
• Policies for capitalizing assets and for estimating the useful lives of those assets, and if applicable, a description of the modified approach for infrastructure [GASB 2300.106*a*(7), 1400.102 and .104]					
• Types of transactions included in program revenues [GASB 2300.106*a*(8) and 2200.132–.136]					
• If applicable, policies for allocating indirect expenses to functions in the statement of activities [GASB 2300.106*a*(8) and 2200.126–.131]					
• The policy for defining operating and nonoperating revenues of proprietary funds [GASB 2300.106*a*(9) and P80.118]					
• The definition of cash and cash equivalents used in the statement of cash flows [GASB 2300.106*a*(11) and 2450.106–.108]					
• Policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available [GASB 2300.106*a*(12) and 1800.134]					
• Significant or unusual accounting treatment for material account balances or activities [NCGAI 6, appendix, as amended (GASB 2300.901)]					
• The method and period of amortization for intangible assets [APB 22, par. 13, GASB 2300.901]					
• The basis for stating inventories, including the method of determining cost [ARB 43 ch. 3A par. 9; APB 22, par. 13]					
• The government's fund balance classification policies and procedures related to committed and assigned fund balances [GASB 1800.160]					
• The government's policy regarding whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available [GASB 1800.155 and .160c]					
• The government's policy regarding whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used [GASB 1800.160c]					
• Information related to stabilization arrangements even if the arrangement does not meet the criteria to be classified as restricted or committed [GASB 1800.163]					
• The government's minimum fund balance policies, if applicable [GASB 1800.164]					

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	Ques.	N/A	Yes	No	Ref.
Financial Instruments:					
Are the investment disclosures organized by investment type, unless otherwise required? [GASB 40 par. 4 (GASB Cod. Sec. I50.124)]	G422	☐	☐	☐	_____
Are the disclosures required by GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, made for the primary government, including its blended component units, with the risk disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, also made for governmental and business-type activities, individual major funds, nonmajor funds in the aggregate, or fiduciary funds when the risk exposures are significantly greater than the deposit and investment risks of the primary government? [GASB 40 par. 5 (GASB Cod. Sec. C20.104, I50.122, and I55.107)]	G423	☐	☐	☐	_____
For deposits with financial institutions and investments (including repurchase agreements), do disclosures include:	G424	☐	☐	☐	_____
• a brief description of the types of investments authorized by legal or contractual provisions?					
• the differences in authorized investment types; if the types of investments authorized for different funds, fund types, blended component units, or discretely presented component units differ significantly from those authorized for the primary government; and if those funds, fund types, blended component units, or discretely presented component units have material investment activity compared with the reporting entity's investment activity? [GASB 3 par. 65 (GASB Cod. Sec. I50.125)]					
• deposit and investment policies regarding credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk, or a statement that the entity has no such policies? [GASB 40 par. 6 (GASB Cod. Sec. C20.109 and I50.127)]					
• the U.S. dollar balances of deposits and investments that are exposed to foreign currency risk organized by currency denomination and, if applicable, investment type? [GASB C20.108]					
• significant violations during the period of legal or contractual provisions for deposits and investments and actions taken to address such violations? [GASB 3 par. 66 (GASB Cod. Sec. C20.106 and I50.126); GASB 38 par. 9 (GASB Cod. Sec. 1200.112, C20.106, and I50.126)]					
• losses recognized during the period due to default by counterparties to deposit or investment transactions and amounts recovered from prior period losses if not separately displayed on the activity statement? [GASB C20.110]					
Investments:					
For investments, do note disclosures include:	G425	☐	☐	☐	_____
• information about investment valuation, including the					
— methods and significant assumptions used to estimate the fair value of investments, if that fair value is based on other than quoted market prices?					
— policy for determining which investments, if any, are reported at amortized cost? [GASB 31 par. 15 (GASB Cod. Sec. I50.120)]					

	Ques.	N/A	Yes	No	Ref.
• the credit quality ratings of investments in debt securities (including investments in external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed income securities) as described by rating agencies as of the financial date? [GASB 40 par. 7 (GASB Cod. Sec. I50.137)]					
• concentration of credit risk, by amount and issuer when investments in any one issuer represents 5 percent or more of total investments based on the level of detail described in GASB Statement No. 40 paragraph 5? [GASB 40 par. 11 (GASB Cod. Sec. I50.139); GASB 40 par. 12 (GASB Cod. Sec. Pe5.124e); GASB 40 par. 13 (GASB Cod. Sec. Pe6.104c)]					
• information about the interest rate risk of debt instruments using a disclosure method described in GASB Statement No. 40 paragraph 15, as amended, with information about assumptions, regarding cash flows, interest rate factors, and other factors that affect interest rate risk? [GASB 40 par. 14 and 15, as amended (GASB Cod. Sec. I50.140–.141)]					
• the terms of investments with fair values that are highly sensitive to changes in interest rates. [GASB 40 par. 14 and 16 (GASB Cod. Sec. I50.131 and .133)]					
• for any investments in external investment pools that are not SEC registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares?					
• any involuntary participation in an external investment pool?					
• if an entity cannot obtain information from a pool sponsor to allow it to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate?					
• any income from investments associated with one fund that is assigned to another fund? [GASB 31 par. 15 (GASB Cod. Sec. I50.120)]					
• for governmental entities that disclose realized gains/losses on investments, do the notes disclose if [GASB 25 par. 29 fn 10 (GASB Cod. Sec. Pe5.121 fn 9); GASB 43 par. 27 (GASB Cod. Sec. Po50.123d and fn6); GASB 31 par. 15 (GASB Cod. Sec. I50.120)]					
— the amounts include all realized gains and losses for the year?					
— the calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments?					
— realized gains or losses on investments that had been held in more than one fiscal year and sold in the current year were included as a net change in the fair value of investments reported in the prior year(s) and the current year?					
• the following disclosures related to reverse repurchase agreements: [GASB I55.106–.114]					
— Source of legal or contractual authority to enter into reverse repurchase agreements?					
— Any significant violations of such authority during the period, and actions taken to address such violations?					

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	Ques.	N/A	Yes	No	Ref.
— For other than yield maintenance agreements, any credit risk associated with such agreements?					
— For yield maintenance agreements, the fair value of securities to be repurchased and a description of the terms of the agreements?					
— Any losses resulting from repurchase agreement transactions, if not separately displayed?					
— Whether the maturities of the investments made with proceeds of reverse repurchase agreements generally match the maturities of the agreements?					
• the following disclosures related to securities lending transactions: [GASB 2300.107*s* and I60.109–.114]					
— Source of legal or contractual authority to lend securities?					
— Any significant violations of such authority during the period, and actions taken to address such violations?					
— General description of the transaction, types of securities lent, collateral received, the entity's ability to pledge or sell collateral securities, amount by which fair value of collateral is required to exceed the value of the underlying securities, any restrictions on loans, and any loss indemnification provided?					
— Whether the maturities of investments made with collateral generally match the lent securities maturities, as well as the extent of such matching at the financial statement date?					
— Any investment credit risk related to the lending transactions?					
— Any losses resulting from securities lending transactions, if not separately displayed?					
— Any exposure to custodial credit risk related to the underlying securities and for the collateral securities?					
• any losses recognized during the period due to default by counterparties to investment transactions and amounts recovered from prior period losses if not separately displayed on the operating statement? [GASB I50.135]					
Derivative Instruments:					
For derivative instruments, do note disclosures include the following:	G426	☐	☐	☐	____
• The following summary disclosures for all derivative instruments, including investment and hedging derivatives, organized by governmental activities, business-type activities, and fiduciary funds and separated by category and type of derivative:					
— Notional or face amount of the derivative					
— Fair value changes during the period and location in the financial statements of where the fair value changes are reported					
— Fair values of the derivative at period end and the location in the financial statements of where the fair value is reported					
— If fair value is based on other than quoted market prices, the methods and assumptions used to estimate fair value					
— Fair values of any hedging derivatives that have been reclassified to an investment derivative during the period and the deferral amount that was reclassified					

	Ques.	N/A	Yes	No	Ref.
• The following specific disclosures for hedging derivatives:					
— The government's objective for entering into the hedging derivative					
— The significant terms of the hedging derivative instrument, including the effective and maturity dates of the instrument notational amounts; reference rates, such as indexes or interest rates; embedded options, such as caps, floors, or collars; the date when the hedging derivative instrument was entered into and when it is scheduled to terminate or mature; and the amount of cash paid or received, if any, when a forward contract or swap (including swaptions) was entered into.					
— Details about the entity's exposure, when applicable, to credit risk, interest rate risk, basis risk, termination risk, rollover risk, foreign currency risk, and market-access risk.					
— Details of the net cash flows in accordance with GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, paragraphs 10–11, including principal and interest requirements to maturity, presented separately, for each of the five subsequent fiscal years and in five-year increments thereafter. Interest requirements for variable-rate debt should be determined using the rate in effect at the financial statement date and the terms by which the interest rates change for variable-rate debt.					
• The following other derivative disclosures to the extent applicable:					
— Any contingent features included in the derivative instrument					
— The net debt service requirements of hedged debt considering the hedging derivative instrument					
— Any embedded derivatives or other hybrid instruments					
— Descriptive and fair value information about any synthetic guaranteed investment contracts					
Capital Assets Disclosures:					
Are the following disclosures adequate regarding capital assets (including intangible assets), if applicable:	G427	☐	☐	☐	____
• The following disclosures divided into major classes of capital assets, as well as between capital assets associated with governmental activities and business-type activities, and between assets that are not being depreciated and those that are being depreciated: [GASB 2300.111–.116]					
— Beginning and end-of-year balances separated between historical cost and accumulated depreciation					
— Reporting period additions and sales or dispositions					
— Reporting period depreciation expense, with disclosure of the amounts charged to each of the functions in the statement of activities					
• The method or methods used to compute depreciation for each major class of depreciable asset [GASB 2300.128]					
• For collections of works of art and historical treasures not capitalized, a description of the collection, and the reasons these assets are not capitalized [GASB 2300.113]					

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	Ques.	N/A	Yes	No	Ref.
• The carrying amount of impaired capital assets that are idle at period end, regardless of whether the impairment is considered permanent or temporary [GASB 1400.176 and 2300.107*gg*]					
• The following disclosures while the entity is applying the general infrastructure asset transition provisions of GASB 34, paragraphs 141–144: [GASB 1400.141-.144]					
— A description of the infrastructure assets being reported and of those that are not reported					
— A description of any eligible infrastructure assets that the government has decided to report using the modified approach					
Long-Term Liabilities Disclosures:					
Are the following disclosures adequate regarding long-term liabilities (both long-term debt, such as bonds, notes, loans, and leases payable, and other long-term liabilities, such as compensated absences and claims and judgments) divided between liabilities associated with governmental activities and those associated with business-type activities:	G428	☐	☐	☐	____
• Beginning and end-of-year balances by type of long-term liability [GASB 2300.114*a*]					
• Increases and decreases separately presented [GASB 2300.114*b*]					
• The portions of each type of long-term liability that is due within one year of the statement date [GASB 2300.114*c*]					
• Which governmental funds typically have been used to liquidate other long-term liabilities in prior years [GASB 2300.114*d*]					
• Debt service requirements to maturity including [GASB 2300.106*i* and 1500.118]					
— principal and interest requirements to maturity, presented separately for each of the five subsequent years and in five-year increments thereafter					
— the terms by which interest rates change for any variable rate debt					
Interest costs:					
Does the entity disclose the following with respect to interest cost:					
a. If no interest cost is capitalized, the amount of interest cost incurred and charged to expense during the period?					
b. If some interest cost is capitalized, the total amount of interest cost incurred and the amount capitalized? [GASB 62 par. 22; GASB 1400.137]					
• Debt refundings resulting in defeasance of debt, including disclosure of cash flow differences and economic gain or loss [GASB D20.111–.115]					
• Unpaid debt that has been fully defeased [GASB D20.111–.114]					
• Nature of any restrictions on assets related to debt					
• Demand bonds [GASBI 1 par. 11]					
• Conduit debt obligations [GASBI 2 par. 3; GASB C65.102–.103]					

	Ques.	N/A	Yes	No	Ref.
• Landfill closure and postclosure care costs and liabilities [GASB L10.115–.116]					
• Pollution remediation obligations [GASB 49, effective for fiscal years beginning after December 15, 2007]					
• Claims and judgments [GASB 2300.106*d*]					
• Capital lease obligations [GASB 2300.107*h*]					
• Special assessment debt and related activities [GASB 2300.107*t* and S40.126–.127]					
• Bond, tax, or revenue anticipation notes excluded from governmental fund liabilities or current liabilities in proprietary funds [NCGAI 9 fn 5; GASB B50 fn1]					
Short-Term Debt Disclosures:					
Are the following disclosures adequate regarding short-term debt obligations and activity:	G429	☐	☐	☐	_____
• Schedule of changes in short-term debt balances [GASB 2300.118*a*]					
• The purpose for which the short-term debt was issued [GASB 2300.118*b*]					
Interfund Balances and Transfers Disclosures:					
Are the following disclosures adequate regarding interfund balances and activity, if applicable:	G430	☐	☐	☐	_____
For interfund balances:					
• Amounts due from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal service funds in the aggregate, and fiduciary fund type [GASB 2300.120*a*]					
• The purpose of interfund balances [GASB 2300.120*b*]					
• Interfund balances that are not expected to be repaid within one year from the date of the financial statements [GASB 2300.120*c*]					
For interfund transfers and activity:					
• Amounts transferred from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal service funds in the aggregate and fiduciary fund type [GASB 2300.121*a*]					
• A general description of the principle purposes of the interfund transfers [GASB 2300.121*b*]					
• The intended purpose and amount of significant transfers that either do not occur on a routine basis or are inconsistent with the activities of the transferring fund [GASB 2300.121*c*]					
• For each major component unit, the nature and amount of any significant transactions with other discretely presented component units or with the primary government [GASB 2300.106*p*]					
Do the notes disclose any interfund eliminations in fund financial statements that are not apparent from headings in the statements? [GASB 2300.107*m*]	G431	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
Net Position and Reconciliation Disclosure Requirements:					
If the information is not apparent from the face of the financial statements, do the notes disclose the following to the extent applicable: [GASB 1800.141–.146, 2300.107*cc*, 2200.119–.121, .154, .158; AAG-SLV 10.18–.20 and 10.22–.23]	G432	☐	☐	☐	_____
• Encumbrances, if significant, should be disclosed by major funds and nonmajor funds in the aggregate in conjunction with required disclosures about other significant commitments					
• Purpose for each major special revenue fund and the revenues and other resources reported in each of those funds					
• Deficit fund balances of nonmajor governmental funds					
• Deficit net position of nonmajor enterprise funds					
• Whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any amounts in any of those unrestricted fund balance classifications could be used.					
• The amount of the primary government's net position that is restricted by enabling legislation					
• Detailed explanations of the reconciliations between the fund and government-wide financial statements					
• Details of fund balance classification in the aggregate on the face of the balance sheet including amounts for the two nonspendable components (that is, not in spendable form and legally or contractually required to be maintained intact) and specific purposes information (for restricted, committed, and assigned fund balances).					
Donor-Restricted Endowments Disclosure Requirements:					
Do the notes include the following disclosures related to donor-restricted endowments: [GASB 2300.106 and .123]	G433	☐	☐	☐	_____
• The amounts of net appreciation on endowment investments available for authorization for expenditure by the governing board, and how those amounts that are reported within net position					
• Applicable law regarding the ability to spend net appreciation of investments					
• The policy for authorizing and spending investment income (for instance, spending rate, total-return policy)					
Future Revenues Pledged or Sold Disclosure Requirements:					
For each period for which secured debt remains outstanding, do the notes disclose the following in regard to specific revenues pledged: [GASB 48 par. 21; S20.118]	G434	☐	☐	☐	_____
• Identification of the specific revenue pledged and the approximate amount of the pledge (for example the remaining debt service for the secured debt)					

	Ques.	N/A	Yes	No	Ref.
• Identification of and general purpose for the debt secured by the pledged revenue • The period of time during which the pledged revenue will not be available for other purposes • The relationship or proportion of the pledged amount to the total amount from the specific revenue stream • A comparison of the pledged revenues recognized during the period to the debt service requirements for the debt directly or indirectly secured by those revenues					
In the year of the sale of a future revenue stream, do the notes disclose the following about the specific revenues sold: [GASB 48 par. 22 and S20.119] • Identification of the specific revenue sold, and the approximate amount sold, including the significant assumptions used in determining the approximate amount • The period to which the sale applies • The relationship or proportion of the sold amount to the total amount for the specific revenue stream • A comparison of the sale proceeds and the present value of the future revenues sold, including the significant assumptions used in determining present value	G435	☐	☐	☐	_____
Other Disclosure Requirements:					
If material, are the presentations appropriate and are disclosures adequate regarding the following other disclosure requirements: • Condensed financial statements for major component units in the component units column(s) (Major component units may be presented in one of the following three manners: (1) separate columns in the entity-wide statements; (2) combining statements after the basic fund statements before the footnotes; or (3) condensed financial statements in the footnotes.) [GASB 2600.108–.111] • Accounting changes [GASB 2250.138.152] • Annual pension cost, net pension obligation, and other pension activities, and other plan and funding disclosures for employer reporting [GASB 2300.106*g*, 2300.107*n*, P20] • The legal or contractual maximum contributions rates, funding policy disclosures, and for sole- and agent-defined benefit pension plans the funded status of the plan as of the most recent actuarial valuation [GASB 50] • Annual OPEB costs, net OPEB obligation and other plan and funding disclosures for employer reporting [GASB 2300.107*o* and P50.105–.107] • Pension funds and OPEB funds required disclosures for reporting by plans [GASB 2300.107*n*, P20, Pe5, Pe6, P50, Po50] • Public entity risk pools [GASB Po20] • Related party transactions, including the nature and amount of significant transactions between the primary government and discretely presented component units or between component units [GASB 2300.106*q* and .107*f*]	G436	☐	☐	☐	_____

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	Ques.	N/A	Yes	No	Ref.
• Segment information for enterprise funds [GASB 2300.107*c* and 2500]					
• Detail of the government's property tax calendar, including the lien, levy, due and collection dates [GASB P70.109]					
• On-behalf payments for fringe benefits and salaries [GASB 2300.107*x* and N50.134]					
• Discounts and allowances that reduce gross revenues, when not reported on the face of the financial statements [GASB 2300.107*dd*]					
• Details of the different types of deferred amounts of inflows/outflows of resources if significant components of the total deferred amounts are aggregated on the face of the financial statements [GASB 63]					
• Disaggregation of receivable and payable balances and receivable balances not expected to be collected within one year [GASB 2300.119]					
• Nonexchange transactions, including grants, taxes, and contributions that are not recognized because they are not measurable [GASB 2300.107*k*]					
• Nature and amount of inconsistencies in the financial statements caused by transactions with component units having different fiscal years or changes in fiscal years [GASB 2300.107*q* and 2600.119]					
• Risk management and related financing activities [GASB 2300.107*a* and C50.145–.146]					
• Description of termination benefit arrangements, significant methods and assumptions used to determine termination benefit expenses and liabilities, and, if not identifiable on the face of the financial statements, the costs of termination benefits in the period obligated [GASB 2300.107*hh* and T25.114–.117]					
• Significant transactions or other events that are either unusual or infrequent but not within the control of management [GASB 2300.107, 2200.141–.144 and .159]					
• Sponsoring government disclosures about external investment pools reported as investment trust funds [GASB 2300.107*z* and In5.103)					
Contingencies and Commitments Disclosures:					
Are the following disclosures adequate regarding contingencies and commitments, if applicable:	G437	☐	☐	☐	____
• Do the notes disclose contingent liabilities not requiring accrual, including guarantees, such as situations in which the entity is contingently liable for proprietary fund or trust fund indebtedness (for example, through a general obligation backing on enterprise fund debt)? [NCGA 1 par. 46, as amended; GASB 10 par. 58 (GASB Cod. Sec. 1500.114 and C50.115) or GASB 62 par. 107–110]					
• For unconditional purchase obligations that have not recognized on the entity's financial position statement(s), do the notes disclose					
a. the nature and term of the obligation(s)?					

	Ques.	N/A	Yes	No	Ref.
b. the amount of the fixed and determinable portion of the obligation(s) as of the date of the latest financial position statement in the aggregate and, if determinable, for each of the five succeeding fiscal years?					
c. the nature of any variable components of the obligations(s)?					
d. the amounts purchased under the obligation(s) (for example, the take-or-pay or throughput contract) for each period which an activity statement is presented? [Generally Accepted]					
• Does the entity disclose unused letters of credit, assets pledged as security for loans, and construction and other significant commitments? [NCGA 1 par. 158, as amended (GASB Cod. Sec. 2300.106k); GASB 62 par. 113]					
• Does the entity disclose conditions that raise a question about its ability to continue in existence for a reasonable period of time and viable plans to overcome these difficulties? [GASB 56 par. 19 (GASB Cod. Sec. 2250.117]					
• Does the entity adequately disclose gain contingencies, with care to avoid any misleading implications about the likelihood of realization? [GASB 62 par. 112]					
Subsequent Event Disclosures:					
Do the financial statements include disclosure of significant subsequent events, and whether or not adjustments were made? [GASB 2300.106*f* and C50.149; AU-C 560.09–.14]	G438	☐	☐	☐	____

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V. EXPLANATION OF "NO" ANSWERS AND OTHER COMMENTS

The following pages are provided for your comments on all "No" answers for which an MFC form was not generated or to expand upon any of the "Yes" answers. All "No" answers must be thoroughly explained and reviewed with the engagement owner.

Question Number	*Explanatory Comments*	*Disposition of Comments*[††]

What is the systemic cause, if any, of the matters identified including your discussion with the engagement partner or owner and his or her view of the cause of the matters?

_____

_____

_____

_____

_____

_____

[††] The nature of the disposition of comments may vary, such as

- note "resolved" and the manner of resolution; and
- note "not significant" to indicate a "No" answer is appropriate, but that the matter is not significant enough to warrant the preparation of an MFC form.

VI. CONCLUSIONS

Explain the reasons for any "Yes" answers. ***BE SPECIFIC.***

Based on the work performed, did anything come to your attention that caused you to believe that

- the firm did not perform the engagement in all material respects in accordance with auditing standards generally accepted in the United States (including documentation) [AU-C 230; ET 202] and other applicable standards including, when applicable, the requirements of *Government Auditing Standards* and the Single Audit Act? (Reviewer should consider the results of any supplemental checklists.) YES[‡‡] ☐ NO ☐
- the auditor's reports, including all reports required under *Government Auditing Standards and OMB Circular A-133* were not appropriate in the circumstances? YES[‡‡] ☐ NO ☐
- the financial statements did not conform with GAAP (or when applicable, a special purpose framework[4]) in all material respects and the auditor's report was not appropriately modified? [AU-C 585; ET 203] YES[‡‡] ☐ NO ☐
- the practitioner in charge of the engagement did not have the knowledge, skills, and abilities (competencies) to perform the engagement in accordance with professional standards? YES[‡‡] ☐ NO ☐
- the firm did not comply with its policies and procedures on this engagement in all material respects? YES[‡‡] ☐ NO ☐

Explanation of "Yes" Answers:

_____

_____

_____

_____

_____

[*The next page is 20,500A-1.*]

[‡‡] If this question is answered "Yes," see additional guidance contained in Interpretations 66-1 and 67-1 "Concluding on the Review of an Engagement" in section 2000 of the AICPA Peer Review Program Manual.

[4] See footnote 2.

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