

REVIEW GUIDE FOR WATER PROGRAMS AUDITS

DATE REPORT RECEIVED	DATE REVIEW COMPLETED	DATE ENTERED IN RCFTS
REVIEW APPROVED (SIGNATURE)		TITLE

BASED UPON MY REVIEW, THE AUDIT IS CONSIDERED: ACCEPTABLE - NO FOLLOW-UP _____

ACCEPTABLE - MINOR FOLLOW-UP _____

UNACCEPTABLE - REQUIRES SIGNIFICANT FOLLOW-UP _____

- Organization Name: _____
- City: _____ County: _____
- Type of Organization: Public Body: _____ Nonprofit: _____ Indian Tribe: _____
- Auditor's Name: _____ Audit Date: _____

REVIEW ITEMS SHOULD BE RESPONDED TO AS FOLLOWS: Y (YES); N (NO); N/A (NOT APPLICABLE).
 REVIEW ITEMS REQUIRING WRITTEN EXPLANATION SHOULD BE REFERENCED BY ITEM NUMBER AND DETAILED IN THE NOTES BELOW.

General Review

Review Item	Response
1. Was the audit report and accompanying information received within 150 days of the end of the borrower's fiscal year?	_____
2. Does the audit report cover a 12-month period?	_____

Auditor's Report

Review Item	Response
3. Did the auditor sign and date the Auditor's Report?	_____
4. Does the Auditor's Report include a statement that the audit was conducted in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS)?	_____
5. Does the Auditor's Report include a statement that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP)? Note: If the financial statements were prepared on a basis other than GAAP, did the auditor disclose the nature of the variance (i.e., cash basis, modified cash basis)?	_____
6. Did the auditor issue an unqualified opinion? Note: If an unqualified opinion was not issued, did the auditor disclose the reason(s) for the qualification in the Auditor's Report?	_____

Financial Statements

Review Item	Response
7. Did the borrower submit a complete set of financial statements:	
a. Balance Sheet/Statement of Financial Position;	_____
b. Statement of Revenue and Expense/Statement of Activities;	_____
c. Statement of Cash Flows.	_____

Financial Statements

Review Item	Response
8. Does a review of the financial statements disclose any items that require follow-up by Rural Development (i.e., unusual items, negative balances, etc.)?	_____
9. Does the audit report contain the following supplemental reports:	
a. Report on Compliance and Internal Control Based on an Audit Performed Under GAGAS;	_____
b. Schedule of Findings and Questioned Costs; and	_____
c. Corrective Action Plan.	_____
10. Did the auditor sign and date the Report on Compliance and Internal Control Based on an Audit Performed Under GAGAS?	_____
11. Does the Report on Compliance and Internal Control include a statement that the audit was conducted in accordance with generally accepted government auditing standards (GAGAS)?	_____
12. Do the notes to financial statements disclose any significant deficiencies, noncompliance with RUS regulations, contingent liabilities, illegal acts, or other items that require follow-up by Rural Development?	_____

Audit Resolution

Review Item	Response
13. Did the auditor issue audit findings that require follow-up by the borrower?	_____

Audit Resolution

	Review Item	Response
14.	If audit findings were issued, did the borrower submit a corrective action plan that addresses each audit finding?	_____
15.	Are there any items in the corrective action plan, Report on Compliance and Internal Control, or Schedule of Findings and Questioned Costs that require follow-up by Rural Development?	_____

<u>REF No.</u>	<u>REVIEW NOTES (Detail deficiencies, telephone contacts, follow-up, etc.)</u>