

## Executive Summary

The objectives of the Combined Federal Campaign (CFC) Audit Guide (Guide) are to improve management and oversight of the CFC and the accountability of Principal Combined Fund Organizations (PCFOs). PCFOs are non-profit organizations that serve as fiscal agents for campaigns locally. Their work is overseen by volunteer Local Federal Coordinating Committees (LFCCs) which serve as a “board of directors” for each CFC. The Guide provides authoritative guidance to ensure that:

- PCFOs provide copies of their financial statements to verify fiscal integrity of their organization. The levels of financial receipts within a campaign will determine the type of financial statements required. All campaigns with receipts over \$150,000 must submit audited financial statements. Campaigns that raise less than \$150,000 may submit financial statements reviewed by a certified independent public accounting firm (IPA).
- PCFOs engage an IPA to perform specified agreed-upon procedures (AUP) on CFC activity and the control environment. If any deficiencies are noted, the PCFO will be required to prepare a corrective action plan. For campaigns over \$1 million, CFC-only audited financial statements are also required.
- LFCCs perform a compliance assessment of the local campaign.

The Guide was designed to generate better and more financial information on all aspects of the PCFO by providing:

- OPM assurance that LFCCs and PCFOs are complying with the CFC regulations and that all campaign organizations have adequate internal controls over their CFC related operations; and
- CFC donors and other stakeholders assurance that all local campaigns meet their high expectations of accountability.

Related reports are due to the LFCC by August 1, 2007, with copies to OPM by September 15, 2007.

Significant changes from the prior year’s Guide are:

1. Ch. I (CFC Audit Guide for Campaigns with Receipts of \$1 Million and Greater only) – CFC Reporting Requirements – added wording to state the reporting entity for the purposes of this Guide is the campaign. Each campaign is separate and distinct from any other and therefore the CFC-only financial statements should only be prepared for a single campaign period and should not be comparative. OPM does not prescribe accounting basis in the CFC Audit Guide and any requirement contained herein

should not be considered to be an other comprehensive basis of accounting (OCBOA).

2. Ch. III (all versions of the CFC Audit Guide) – Pledge Card Tracking System Section – Step 3 – A step was added to test the PCFO’s procedures for reconciling pledges with receipts from payroll offices as required by CFC Memorandum 2006-5.
3. Appendix A (CFC Audit Guide for Campaigns with Receipts of \$1 Million and Greater only) – PCFO FINANCIAL ACCOUNTING STATEMENT FORMAT – As described in the description of change #1 above, the illustrative financial statements were changed from comparative format to a single campaign format.
4. Appendix B (CFC Audit Guide for Campaigns with Receipts of \$1 Million and Greater only) – SAMPLE REPORTS – Added a sample CPA engagement letter to assist CPAs and campaigns to reference to ensure that each understands the requirements and responsibilities to complete the work required by the CFC Audit Guide.