

**SECTION III – REPORTING**  
**CHAPTER 8 –QUALITY ASSESSMENT REVIEW CHECKLIST**

A Quality Assessment (Control) Review will be performed at the state level on each audit. The auditor should familiarize himself/herself with the following Quality Assessment (Control) Review form. The auditor’s review of this form should ensure that the audit contains sufficient information to answer the questions contained in the review, as well as eliminate time consuming correspondence with the Single/ Grants Audit Unit personnel in assuring compliance with Federal and State audit requirements.

**QUALITY ASSESSMENT REVIEW**

Local Educational Agency/Charter School \_\_\_\_\_

County \_\_\_\_\_

Audit Period \_\_\_\_\_ Date of Report \_\_\_\_\_

Received By Deadline \_\_\_\_\_

Auditor Name \_\_\_\_\_ Audit Firm \_\_\_\_\_

Reviewed By \_\_\_\_\_ Date \_\_\_\_\_

**Summary of Quality Assessment Review**

In my opinion, the CAFR is:

- Acceptable, and requires no or only minor corrections.
- Substandard, and requires one or more major changes.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**I. Qualifications and Independence of Auditor**

- 1. Is the audit performed by a certified public accountant? Yes \_\_\_\_\_ No \_\_\_\_\_
- 2. Is the audit report free of indications that the auditor is not independent? If not, follow up to determine if independence was impaired in appearance or in fact. Yes \_\_\_\_\_ No \_\_\_\_\_
- 3. Does the auditor have an external quality control review on file with the department? Yes \_\_\_\_\_ No \_\_\_\_\_

**II. Financial Statements**

The format of the CAFR should conform to the publication, Financial Accounting for New Jersey School Districts/Charter Schools - The Audit Program , and should strictly adhere to the prescribed sectioning of the report and numbering of exhibits as shown on pages **xvi to xx** of The Audit Program . If a section or exhibit is not applicable to the school district/charter school, the notation "N/A" should be indicated against that item in the Table of Contents. Exhibit numbers for any additional statements required under the circumstances should be assigned using the next available exhibit number within that series of statements/schedules.

1. Is a complete table of contents as reflected on pages xvi through xviii of the 2013 Audit Program included? Yes\_\_\_ No\_\_\_

If "No", describe deficiencies:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

2. Are sections properly designated? Yes\_\_\_ No\_\_\_  
 (If "No", make corrections in the CAFR and describe below.)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Are exhibits properly numbered? Yes\_\_\_ No\_\_\_  
 (If "No", make corrections in the CAFR and describe below.)

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. Are all statements and schedules reflected in The Audit Program Outline to the CAFR (p xvi through xviii), either included in the CAFR or designated "N/A" in the table of contents? Yes\_\_\_ No\_\_\_

Did districts required to use school-based budgeting, include the Combining Schedule of Revenues, Expenditures, and Fund Balance – Budget and Actual (Exhibit C-1a), and the School Based Budget Schedules (Exhibit D-x series), and the Preschool Aid schedules indicated in the CAFR Outline, pp. xvi to xviii?

Yes\_\_\_ No\_\_\_ N/A\_\_\_

If answer is "No", list all omitted financial statements not designated as "N/A" in the table of contents. If additional space is needed, attach additional sheets.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Do the fund types used in the financial statements conform to those described in GASB §1300.103? Yes\_\_\_ No\_\_\_ N/A\_\_\_

- 6a Does the information presented in the combining statements in Other Supplementary Information agree to the applicable funds statements or budget to GAAP reconciliation? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- 6b. Does the *Statement of Net Position* include a balance for Net investment in capital assets conforming to the requirements of GASB 63? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- 6c Does the *Statement of Net Position* include two lines for Noncurrent liabilities – Due within one year and Due in more than one year? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
7. Have the basic financial statements, required supplementary information and other supplementary information been prepared in the format of the CAFR Outline? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- 7a If the district *carried forward* Education Jobs Funds, is there a separate line for the Ed Jobs program in the Schedule of Expenditures of Federal Awards, and is the proper prefix used? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
7. Has GASB Statement No. 54 been implemented? Did the district's/charter school's CAFR reflect fund balance as non-spendable, restricted, committed, assigned, and unassigned? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (a) Have unspent appropriations/balances from an additional spending proposal been classified as restricted fund balance – additional spending proposal? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (b) Have capital reserve funds been classified as restricted fund balance – capital reserve? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (c) Has unreserved fund balance included in the upcoming year's budget as budgeted fund balance been classified as assigned to – designated for subsequent year's expenditures? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (d) Have amounts calculated (generated in the current year) in accordance with N.J.S.A. 18A:7F-7 been classified and reported as restricted for – excess surplus)? [Effective for June 2012 Audsum line 90030 replaced line 10024] Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (e) Has excess surplus generated in the prior year been classified and reported as restricted for – excess surplus – prior year – designated for subsequent year's expenditures in the current year? [Effective for June 2012 Audsum line 90031 replaced line 10025] Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

- (f) Are the amounts utilized for the excess surplus calculation accurate? (Trace amounts to financial statements- and recalculate. Fund balance should be taken from the Budgetary Comparison Schedule, C-1. Determine that the correct percentage was used.) If not, a note to the auditor must be included in the QAR letter. Yes\_\_\_\_ No\_\_\_\_
- (g) Is the amount for Impact Aid Adjustment no more than the amount received for the current year as reported in the schedule of expenditure of federal awards? (If no, a note to the auditor must be included in the QAR letter.) Yes\_\_\_\_ No\_\_\_\_
- (h) If this is a regular school district, was the excess surplus calculation performed using the 2% calculation? (County Vocational districts use 6%) Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (i) Have Adult Ed fund balances been classified as restricted-Adult Ed? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (j) Are reserves related to insurance policies for other than incurred but not reported claims (IBNR) classified as unrestricted fund balance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (k) Are all other reported "restrictions", "commitments" and "assignments" appropriate? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (l) Have the appropriate disclosures related to the components of fund balance been made in the notes to the financial statements? Yes\_\_\_\_ No\_\_\_\_
  
- 9. Are all interfund transfers reflected in the CAFR in accordance with statute and properly reported in accordance with GASB §1800.102-105? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
  
- 10. Do the Budgetary Comparison Schedules reflect over-expenditures of line accounts in violation of *N.J.A.C. 6A:23A-16.10*? Yes\_\_\_\_ No\_\_\_\_  
 Is a comment and recommendation regarding over-expenditures included in the Auditor's Management Report? If not, a note to the auditor must be included in the QAR letter. Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
 Did the district include the Schedule of Required Maintenance Expenditures by School Facility (exhibit J-19)? Yes\_\_\_\_ No\_\_\_\_
  
- 11. If the district/charter school is self-insured for workmen's compensation, have they properly accounted for the activity in accordance with GASB 10 and 30? (Self-insured workmen's compensation plans should be accounted for in either the general fund or an internal service fund when there is no transfer of risk). Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
  
- 11a If the district /charter school uses the reimbursement method (payment in lieu of contributions) for unemployment compensation, has the information been presented in the fiduciary fund statements? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

12. Does the *Statement of Net Position* report Net Position in three components - Invested in capital assets, net of related debt; restricted (distinguishing between major categories of restrictions, including permanent endowment principal – nonexpendable); and unrestricted (GASB 34, ¶477)? If no, answer (a) below.
- Yes\_\_\_ No\_\_\_
- (a) Does the independent auditor’s report contain the associated qualification of opinion?
- Yes\_\_\_ No\_\_\_
13. Does the *Statement of Net Position* report the portion of compensated absences which matures within one year separately from the long-term portion? (GASB §2200.116)
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
14. Do the notes to the financial statements include: (GASB §2300)
- (a) A summary of significant accounting policies that includes:
- i. An identification of the component units combined to form the reporting entity and the key criteria considered? (GASB §2600.119)
- Yes\_\_\_ No\_\_\_
- ii. The basis of accounting including revenue recognition policies?
- Yes\_\_\_ No\_\_\_
- (b) Interfund receivables and payables?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (c) Excess of expenditures over appropriations in individual funds?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (d) Deficit fund balances or retained earnings of individual funds?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- i. Is the amount of the deficit due to the deferral of one or more June state aid payments stated?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (e) Material violations of finance-related legal and contractual provisions? (GASB §1200.112)
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (f) Do the notes to the financial statements for capital assets and noncurrent liabilities agree to the *Statement of Net Position*? (GASB §2300.111)
- Yes\_\_\_ No\_\_\_ N/A\_\_\_

**III. Reporting**

15. Does the Independent Auditor's Report contain the following items:
- (a) A title that includes the word independent?
- Yes\_\_\_ No\_\_\_
- (b) Under the heading “Report on the Financial Statements,” a statement that the financial statements of the governmental activities, the business-type activities, and each major fund, and the related notes to the financial statements which collectively comprise the district’s/charter school’s basic financial statements as listed in the table of contents were audited?
- Yes\_\_\_ No\_\_\_

- (c) Under the heading, “Managements Responsibility for the Financial Statements”, a statement that the financial statements are the responsibility of management and under the heading “Auditor’s Responsibility,” a statement that the auditor's responsibility is to express opinions on these financial statements based on his audit? Yes\_\_\_\_ No\_\_\_\_
- (d) Under the heading “Auditor’s Responsibility,” a statement that the audit was conducted in accordance with generally accepted auditing standards (GAGAS), *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Administration & Finance, Department of Education, State of New Jersey? Yes\_\_\_\_ No\_\_\_\_
- (e) Under the heading “Auditor’s Responsibility,” a statement that generally accepted auditing standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement? Yes\_\_\_\_ No\_\_\_\_
- (f) Under the heading “Auditor’s Responsibility,” a statement that the audit involves:
- i. Performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements? Yes\_\_\_\_ No\_\_\_\_
  - ii. The procedures selected depend on auditor judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error? Yes\_\_\_\_ No\_\_\_\_
  - iii. Evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management? Yes\_\_\_\_ No\_\_\_\_
  - iv. Evaluating the overall financial statement presentations? Yes\_\_\_\_ No\_\_\_\_
- (g) Under the heading “Auditor’s Responsibility,” a statement that the auditor believes that his audit provides a reasonable basis for his opinion(s)? Yes\_\_\_\_ No\_\_\_\_

- (h) Under the heading “Opinions,” a statement expressing an opinion as to whether the financial statements present fairly, in all material respects the respective financial position of the governmental activities, the business-type activities, and each major fund as of the balance sheet date and the respective changes in financial position and cash flows, where applicable, for the period then ended in conformity with accounting principles generally accepted in the United States of America? Yes\_\_\_\_ No\_\_\_\_  
 Briefly describe any modifications including whether or not there are modifications due to a departure from GAAP:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- (i) Under the heading “Other Legal and Regulatory Requirements (or otherwise as appropriate to the contents of the section),” a statement that in accordance with *Government Auditing Standards*, the auditor has also issued a report dated (include report date) on the consideration of the district’s/charter school’s internal control over financial reporting and on tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. A statement that that the purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. Yes\_\_\_\_ No\_\_\_\_
- (j) Under the heading “Other Information,” identification of the accompanying required supplementary information, such as management’s discussion and analysis and budgetary comparison schedules accompanying the financial statements and that limited procedures were applied? Yes\_\_\_\_ No\_\_\_\_
- (k) Under the heading “Other Information,” identification of additional information accompanying the financial statements [relevant combining schedules] that have been subjected to the auditing procedures applied in the audit of the basic financial statements? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (l) Under the heading “Other Information,” identification of additional supplementary information [such as the introductory section and statistical section] that has not been subjected to the auditing procedures? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

- (m) Under the heading "Other Information," an opinion as to whether the schedule of expenditures of federal awards and/or schedule of expenditures of state financial assistance is (are) fairly stated in all material respects in relation to the basic financial statements taken as a whole or a disclaimer of opinion? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
 Briefly describe any qualifications:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (n) Under the heading "Other Information," an opinion as to whether the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole or a disclaimer of opinion? Yes\_\_\_\_ No\_\_\_\_  
 Briefly describe any qualifications:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (o) Under the heading "Other Information," identification that the introductory section and statistical section was not audited? Yes\_\_\_\_ No\_\_\_\_
- (p) The signature of the public accountant who performed the audit? Yes\_\_\_\_ No\_\_\_\_  
 (The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation, which employs the auditor.)
- (q) The date of the audit report? Yes\_\_\_\_ No\_\_\_\_
16. (a) Have the schedules of expenditures of federal awards and expenditures of state financial assistance been prepared as prescribed by The Audit Program in Section II-SA? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
 If "No", describe deficiencies:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (b) Do the funds received per the schedules agree with department/state disbursement records? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (c) Based on federal and state financial assistance expenditures, was the proper type of audit report prepared? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
 Total Federal Expenditures \_\_\_\_\_  
 Total State Expenditures \_\_\_\_\_
17. Do the Notes to the Schedules of Awards and Financial Assistance include the following:
- (a) Basis of accounting of the data? Yes\_\_\_\_ No\_\_\_\_
- (b) Disclosure of the nature of differences between amounts presented in the schedules and amounts reported in related reports? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (c) Relationship of the data presented to the financial statements? Yes\_\_\_\_ No\_\_\_\_

- (d) Assumptions used to value noncash programs and means of calculations? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (e) Unique matters necessary to understand the amounts presented for any individual program? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (f) Other matters considered necessary to ensure the schedule is not misleading? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

18. Are the following reports included?

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*?

Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal/State Awards Required by OMB Circular A-133?

Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

19. Does the Report on Internal Control over Financial Reporting and Compliance and Other Matters contain the following elements?

- (a) A statement that the auditor has audited the financial statements and a reference to the auditor's report on the basic financial statements? Yes\_\_\_\_ No\_\_\_\_
- (b) A statement that the audit was conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Administration & Finance, Department of Education, State of New Jersey? Yes\_\_\_\_ No\_\_\_\_
- (c) A statement that, in planning and performing the audit, the auditor considered the internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls. Accordingly, no opinion on the effectiveness of the district's/charter school's internal control over financial reporting is expressed? Yes\_\_\_\_ No\_\_\_\_
- (d) If no material weaknesses, significant deficiencies or reportable instances of noncompliance or other matters have been identified, does the report include the definitions of:
- i. a deficiency in internal control (SAS 115)? Yes\_\_\_\_ No\_\_\_\_
- ii. a material weakness (SAS 115)? Yes\_\_\_\_ No\_\_\_\_
- If no material weaknesses have been identified; however, significant deficiencies and reportable instances of noncompliance, and other matters have been identified: Does the report include definitions of:
- i. a deficiency in internal control (SAS 115)? Yes\_\_\_\_ No\_\_\_\_
- ii. a material weakness (revised by SAS 115)? Yes\_\_\_\_ No\_\_\_\_
- iii. a significant deficiency (revised by SAS 115)? Yes\_\_\_\_ No\_\_\_\_

- If material weaknesses have been identified;  
Does the report include definitions of:
- (f)
    - i. a deficiency in internal control (SAS 115)? Yes\_\_\_\_\_ No\_\_\_\_\_
    - ii. a material weakness (revised by SAS 115)? Yes\_\_\_\_\_ No\_\_\_\_\_
    - iii. a significant deficiency (revised by SAS 115)? Yes\_\_\_\_\_ No\_\_\_\_\_

A statement that the auditor's consideration of internal control over financial reporting would not necessarily
  - (g) identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses?  
Was a deficiency considered to be a material weakness or a significant deficiency noted? (if "Yes" answer (i.)-(ii.), if "No" skip to 19.(i) Yes\_\_\_\_\_ No\_\_\_\_\_
  - (h)
    - i. A statement that noted material weakness and/or significant deficiencies are described in the accompanying schedule of findings and questioned costs and the related finding reference number? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_
    - ii. A statement about whether the auditor believes any of the significant deficiencies described in the report are material weaknesses and, if so: Identifies which one(s)? Yes\_\_\_\_\_ No\_\_\_\_\_

If no deficiencies in internal control were noted:  
A statement that given these limitations we did not identify any deficiencies that the auditor considered to be a material weakness? Yes\_\_\_\_\_ No\_\_\_\_\_
  - (i) Under the heading "Compliance and Other Matters," a statement that, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, the auditor performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements? Yes\_\_\_\_\_ No\_\_\_\_\_
  - (j) Yes\_\_\_\_\_ No\_\_\_\_\_
  - (k) A statement that the auditor's objective was not to provide an opinion on compliance with those provisions? Yes\_\_\_\_\_ No\_\_\_\_\_
  - (l) A statement that the results of tests performed disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_
  - (m) A statement that the results of tests performed disclosed instances of non-compliance that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and reference to the accompanying schedule of findings and questioned costs by finding reference number? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_
  - (n) If applicable, statements that certain matters were reported to management in a separate letter (the Auditor's Management Report)? Yes\_\_\_\_\_ No\_\_\_\_\_ N/A\_\_\_\_\_

- (o) A statement that the report is intended for the information of the Board, the New Jersey Department of Education, and Federal awarding agencies? Yes\_\_\_\_ No\_\_\_\_
- (p) The signature of the public accountant who performed the audit?  
(The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation, which employs the auditor.) Yes\_\_\_\_ No\_\_\_\_
- (q) The date of the auditor's report? Yes\_\_\_\_ No\_\_\_\_

20. Does the **Report on Compliance for Each Major Federal/State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal/State Awards Required by OMB Circular A-133 and the New Jersey OMB Circular 04-04** include the following:

- (a) Under the heading "Report on Compliance for Each Major Federal/State Program," a statement that the entity's compliance with the requirements described in U.S. Office of Management and Budget Circular A-133 Compliance Supplement and the New Jersey *State Grant Compliance Supplement* that could have a direct and material effect on each of its major programs was audited? Yes\_\_\_\_ No\_\_\_\_
- (b) Under the heading "Management's Responsibility," a statement that compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the entity's management and that the auditor's responsibility is to express an opinion on compliance based on his or her audit? Yes\_\_\_\_ No\_\_\_\_
- (c) Under the heading "Auditor's Responsibility," a statement that it is the auditor's responsibility to express an opinion on compliance for each major federal and state program based on the audit of the types on compliance requirements referred to in the "Report on Compliance" paragraph. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*? Yes\_\_\_\_ No\_\_\_\_

- (d) Under the heading “Auditor’s Responsibility,” a statement that those standards and *Government Auditing Standards* issued by the Comptroller General of the United States, OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 require that the auditor plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in item *a*, above, that could have a direct and material effect on a major program occurred? Yes\_\_\_\_ No\_\_\_\_
- (e) Under the heading “Auditor’s Responsibility,” a statement that an audit includes examining, on a test basis, evidence about the entity's compliance with the requirements referred to in *a*, above, and performing such other procedures as considered necessary in the circumstances? Yes\_\_\_\_ No\_\_\_\_
- (f) Under the heading “Auditor’s Responsibility,” a statement that the auditor believes that his or her audit provides a reasonable basis for an opinion? Yes\_\_\_\_ No\_\_\_\_
- (g) Under the heading “Opinion on Each Major Federal/State Program,” an opinion as to whether the entity complied in all material respects, with the requirements referred to in item *a*, above that could have a direct and material effect on each of its major federal and state programs? Yes\_\_\_\_ No\_\_\_\_  
 Briefly describe any qualifications:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (h) Under the heading “Other Matters”, reference to the accompanying schedule of findings and questioned costs for instances of noncompliance required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 including related finding reference numbers? Yes\_\_\_\_ No\_\_\_\_
- (i) Where applicable, identification of the type of compliance requirement and the major federal program for which noncompliance was reported [list the reference numbers of the related findings, for example, 20X1-3 and 20X1-6]? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

- (j) Under the heading "Report on Internal Control Over Compliance," a statement that management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above? Yes\_\_\_\_ No\_\_\_\_  
 A statement that in planning and performing the audit, of compliance the auditor considered the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance? Yes\_\_\_\_ No\_\_\_\_
- (k) Under the heading "Report on Internal Control Over Compliance," does the report include the definitions of:  
 i. Deficiency in internal control over compliance? Yes\_\_\_\_ No\_\_\_ N/A\_\_\_\_  
 ii. Material weakness in internal control over compliance? Yes\_\_\_\_ No\_\_\_ N/A\_\_\_\_  
 iii. Significant deficiency in internal control over compliance? Yes\_\_\_\_ No\_\_\_ N/A\_\_\_\_
- (l) A statement that the auditor's consideration of internal control over compliance was for a limited purpose and was not designed to identify all deficiencies in internal control over compliance that might be, material weaknesses or significant deficiencies?? Yes\_\_\_\_ No\_\_\_\_
- (m) A statement as to whether the auditor identified any deficiencies in internal control over compliance that are considered material weaknesses? Yes\_\_\_\_ No\_\_\_\_  
 (if "Yes" answer (i)  
 i. Is reference made to the schedule of findings and questioned costs and reference number(s) of related findings? Yes\_\_\_\_ No\_\_\_\_
- (n) A statement as to whether the auditor identified any deficiency in internal control over compliance that the auditor considered to be a significant deficiency? Yes\_\_\_\_ No\_\_\_\_  
 (if "Yes" answer (i.)  
 i. A statement that deficiencies in internal control over compliance that are considered significant deficiencies are described in the accompanying schedule of findings and questioned costs and the related finding reference number? Yes\_\_\_\_ No\_\_\_\_
- (o) If no deficiency in internal control over compliance was noted:

- i. A statement that no deficiencies in internal control over compliance that the auditor considered to be a material weakness were noted? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
  - (p) A statement that the report is intended for the information of the Board, the New Jersey Department of Education, and Federal awarding agencies? Yes\_\_\_\_ No\_\_\_\_
  - (q) The signature of the public accountant who performed the audit? Yes\_\_\_\_ No\_\_\_\_  
(The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation which employs the auditor.)
  - (r) The date of the auditor's report? Yes\_\_\_\_ No\_\_\_\_
- 21. Does the **Schedule of Findings and Questioned Costs** include the following four components:
  - (a) A Summary of the Auditor's Results which includes:
    - i. The type of report issued on the financial statements? Yes\_\_\_\_ No\_\_\_\_
    - ii. Internal control over financial reporting:
      - i. material weakness(es) identified? Yes\_\_\_\_ No\_\_\_\_
      - ii. Significant deficiency(ies) identified? Yes\_\_\_\_ No\_\_\_\_
    - iii. A statement as to whether noncompliance material to the financial statements were disclosed by the audit of the financial statements? Yes\_\_\_\_ No\_\_\_\_
    - iv. Internal Control Over Major Programs: Where applicable, a statement as to whether or not material weaknesses were identified. A statement as to whether significant deficiencies were identified (reported). Yes\_\_\_\_ No\_\_\_\_
      - For federal awards? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
      - For state financial assistance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
    - v. The type (unmodified, modified, adverse, or disclaimer) of report the auditor issued on compliance for major programs:
      - For federal awards? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
      - For state financial assistance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
    - vi. A statement as to whether the audit disclosed any audit findings which the auditor is required to report:
      - For federal awards? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
      - For state financial assistance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
    - vii. An identification of major programs:
      - For federal awards (CFDA)? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
      - For state financial assistance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
    - viii. The dollar threshold used to distinguish between Type A and Type B programs was computed correctly:
      - For federal awards?
        - CPA FIRM                      DOE Calculation                      Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

		For state awards? CPA FIRM	DOE Calculation	Yes____	No____	N/A____
ix.	A statement as to whether the auditee qualified as a low-risk auditee: For federal awards? For state financial assistance?			Yes____	No____	N/A____
x.	Do programs identified by NJDOE review calculation as Type A or B major programs on the Schedules of Expenditures agree with those identified on the Schedules of Findings and Questioned Costs (Section I – Summary of Auditor’s Results) and the Single Audit Summary Sheet section D items # 22 and #26 :For federal awards and the SF-SAC? :For state financial assistance? If No, has the program been audited in either of the two preceding years? For federal awards? For state financial assistance?			Yes____	No____	N/A____
(b)	Financial Statement Findings relating to the financial statements which are required to be reported in accordance with GAGAS?			Yes____	No____	N/A____
(c)	Findings and questioned costs for Federal awards as per A-133 (Sec.510 (a) and (b))?			Yes____	No____	N/A____
(d)	Findings and questioned costs for State financial assistance?			Yes____	No____	N/A____
22.	Does the Summary Schedule of Prior Audit Findings include the following :					
(a)	The reference numbers the auditor assigns to audit findings, including the fiscal year in which the finding initially occurred?			Yes____	No____	N/A____
(b)	For repeat audit findings, the cross-reference to the current year audit finding number?			Yes____	No____	N/A____
(c)	The status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to Federal awards and State Financial Assistance?			Yes____	No____	N/A____
(d)	Audit findings reported in the prior audit's summary schedule of prior audit findings as follows:					
i.	When fully corrected the summary schedule need only list the findings and state that corrective action was taken.			Yes____	No____	N/A____
ii	When not corrected or only partially corrected, the summary schedule must describe the planned corrective action as well as any partial corrective action taken.			Yes____	No____	N/A____

- iii. When corrective action is significantly different from corrective action previously reported in a corrective action plan or in the Federal agencies or pass-through entity's management decision, the summary schedule shall provide an explanation. Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- iv. When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position shall be described in the summary schedule. Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

- 23. Has an acceptable Corrective Action Plan been submitted to the department with the Audit Synopsis through the county office of education? Yes\_\_\_\_ No\_\_\_\_
- 24. Has a copy of the Federal Data Collection Form as per USOMB Circular A-133 been received by the department if auditee expended over \$500,000 in federal financial assistance? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

**III. Comments and Recommendations**

- 1. Does the Auditor’s Management Report contain comments as outlined in The Audit Program as to the accuracy and completeness of financial reports and claims for advances or reimbursement to federal agencies or their representatives (i.e. Food Service Fund) and Child Nutrition Requirements? Yes\_\_\_\_ No\_\_\_\_
- 2. Districts required to use school-based budgeting - Are all irregularities disclosed in the Audit Questionnaire included as comments and recommendations in the Auditor’s Management Report? (All negative comments, exceptions, or noncompliance noted in the Audit Report should have a corresponding recommendation) Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

If answer to question 2 is "No", briefly describe omitted comments and recommendations:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 3. Does the Auditor’s Management Report contain all the findings reported in the Single Audit Section of the CAFR? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- 4. Does the Auditor’s Management Report provide comments both negative and positive on significant findings and recommendations from the previous audit to determine whether appropriate corrective actions had been taken? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_

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