

PREPARING FOR AUDITS AND GOOD BUSINESS PRACTICES SUGGESTIONS

Association of Florida Conservation Districts
Annual Meeting
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Presented by:
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As we proceed, please share
your thoughts, experiences
and opinions.

Don't
FEAR
the
AUDIT

A magnifying glass with a black handle and a silver frame is positioned over the word 'AUDIT'. The word 'AUDIT' is rendered in large, bold, red 3D block letters. The magnifying glass is focused on the 'U' and 'D' of 'AUDIT', making them appear larger and more prominent. The background is plain white.

But it's a good thing!

PREPARING FOR AUDITS



TYPES OF AUDITS

- Financial Audit
- Compliance Audit
 - Adherence to FDACs “State Financial Assistance Agreement”
 - Rules of the Florida Auditor General, Chapter 10.550
 - State of Florida Statutes

ITEMS NEEDED FOR AUDIT

1. Accounting Reports
2. Contracts
3. Budgets
4. Bank Statements and Reconciliations
5. Transaction Backups:
 - a) Revenue:
<http://flair.dbf.state.fl.us/dispub2/cvnhphst.htm>
 - b) Expenses


ITEMS NEEDED FOR AUDIT

6. Grant reimbursement or payment requests with support
7. Grant closeout report – with evidence of overpayment refund, if any
8. Any reports from granting agency
9. Minutes of Board meetings

OTHER AUDIT RELATED ITEMS

1. Audit as a learning tool
2. Third party confirmation
3. Ask questions as they arise during the year
4. Comingling Funds
5. Cannot delegate fiduciary responsibility
6. Segregation of duties
7. Internal Control
8. Management financial statements or reports
9. Other

GOOD BUSINESS PRACTICES SUGGESTIONS



1. Use accounting software, such as QuickBooks
2. Transparency
3. Conflict of interest
4. Timeliness
5. Appearance
6. Other

INTERNAL CONTROL



- Safeguarding the organization's assets and assuring compliance with applicable rules and regulations.
- Segregation of duties
- Cost vs. Benefits
- Conflict of interest policies
- Embezzlement or fraud – public relations nightmare
- Use of organization's credit cards

MANAGEMENT FINANCIAL STATEMENTS OR REPORTS

- Internally, financial reports are useful only if they can be used by the Board to oversee the operations and for management to manage the activities of the organization.
- Financial statements presented to Board are usually a summary of the reports used by management.
- Consider the reader when designing financial statements.
- Management financial statements should show comparisons between the current period (and YTD), prior period (and YTD) and budget.
- Percentages are usually useful.

GOAL OF AN EFFECTIVE FINANCE & ACCOUNTING SYSTEM

- Report on activities of the organization
- Safeguard assets of the organization
- Fulfill fiduciary responsibilities of the organization
- Reporting to 3rd parties, such as grant providers
- Transparency

BUDGETS

- Budgets should be a reflection of your organization's goals
- Budgets should motivate
- Budgets creation should include staff whose performance will be judged in relation to the budget
- Budget should be realistic, but challenging
- Budgets can be amended during the year, if circumstances dictate

CONCLUSION



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Thank you.