



2021

RECIPIENT NAME:	<u>Regulatory/ Statutory Citation</u>	<u>Other Tools</u>	<u>WP Pg.</u>	<u>Remarks</u>
APPENDIX 1 – Finance System Controls				-
I. Purpose				-
<p>The purpose of this review is to test that:</p> <ul style="list-style-type: none"> adequate controls exist to ensure that information is processed accurately and completely; physical controls exist to ensure security of assets, including adequate segregation of duties; and information systems provide reliable data, identify valid transactions, and properly classify costs in a timely manner. <p>If current IPA work papers are available, reliable, and document an accounting system review, document the assessment of the IPA’s work. Note: Review any areas the auditor did not review and those where internal control weaknesses, noncompliance conditions, and/or questioned costs were disclosed.</p>	2 CFR 200.302(b) and .303			Read & Noted, Reviewing 2021 financial Records and the 2020 audit. No finding issued in the 2020 audit to review.
II. On-Site Review				-
A. Review the sampling methods in the General Instructions for Monitoring Plans	24 CFR Part 1000.503(b) and (c)			Read & Noted.
B. Review or document the Accounting System, including a current description of books of original entry, general and subsidiary ledgers, and any statistical and/or supporting records				Read & Noted. See Finance Policy



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which demonstrate the initiation of transactions, the flow of documents, and the identification of all points where correcting, adjusting, or other cost transfers can be entered into the system.				
C. Document physical control over assets, and determine if there are any instances where any single individual has both custody of assets and responsibility for recordkeeping.	2 CFR 200.313			<p>Read & Noted</p> <p>No such instances found. Capitalized equipment is tracked by Finance staff.</p> <p>Recommendation: The disposable equipment bought by IT and used within the IT department does fall into this category. This equipment is considered a disposable supply by the Federal agencies since it is less than \$5k, but we do typically track these items in the IT inventory as a physical asset. Although the agency and our Audit do not require us to track as an asset, it may be beneficial to have an accounting staff person review IT department purchase and compare that to the physical assets held and the IT asset inventory annually to add a layer of internal control. This is a very small area with very little financial impact for fraud, so balancing staff capacity to the benefit may make it a prohibitive activity.</p>



<p>D. Verify that adequate procedures exist for maintaining adequate documentation for accounting entries (source documents) and for reconciling subsidiary and general ledgers accounts. Selectively test the following attributes to ensure the procedures are operating effectively. Review the sampling methods in the General Instructions.</p>	<p>2 CFR 200.302(b)</p>		<p>Read & Noted</p>
<p>1. All accounting entries are supported by source documents.</p>			<p>All entries are started from the source documents without exception, including JVs, CRs, ARBs & ARCs, APSs, and PRSs.</p>
<p>2. Source documents tie to accounting entries in subsidiary or general ledgers.</p>			<p>Yes, evidenced by drilling down in MIP reports to review GLs and reviewing POs with source materials attached within our online system, Microix, before approving.</p>
<p>3. Subsidiary ledgers tie to the general ledger.</p>			<p>AR & AP ledgers are compared to Controller's balance monthly as part of closing and reporting to Tribal Council.</p>



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a. If the recipient submitted electronic copies of the general and subsidiary ledgers, complete this step prior to onsite review. Otherwise, review on site.				
b. Tie subsidiary ledger (Cash receipt ledger, draw downs, etc.) information to the general ledger.				Drawdowns are traced to GLs using drawdown reports from MIP accounting system at least monthly.
4. For computerized accounting systems, the reviewer should review the system documentation to determine how the system is intended to operate and then selectively test to verify that it is operating effectively. Review the sampling methods in the General Instructions.				Monthly reports in MIP accounting system are drilled down on and reviewed for detailed transactions and totals. Tested and working correctly
D. Verify that a trial balance is prepared on a regular basis and reconciles to the financial statements.				CFO prepares and reviews as part of closing the month and reporting to Tribal Council
E. Review the number and type of adjusting journal entries.				Read & Noted
1. Select a sample to review. Review the sampling methods in the General Instructions.		See Attached		See JV files for total population
2. Analyze the reasoning for the entries.		See Attached		IDC, copier/postage usage, Indirect allocation to the grant, and payroll corrections.



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3. Determine if they are reasonable.		See Attached		All seem reasonable;
4. Expand sample if initial review disclosed errors.				No errors noted
<p>III. Summary</p> <p>A. Summarize the results of the review in a work paper.</p> <p>B. Discuss significant issues with Supervisor.</p> <p>C. Develop findings, including questioned costs and corrective actions, as appropriate.</p> <p>D. Develop concerns because they could lead to a violation</p> <p>E. Develop report language, including any findings and concerns.</p> <p>F. If there are any major issues identified in this review and the recipient has approval to invest, determine if a withdrawal of investment authority should be recommended.</p>				<p>In compliance & no areas of weakness found</p> <p>Recommendation: Consider evaluating the value to Samish to have an accounting staff person reconcile IT bought equipment used by the IT depart to ensure it can be located and identified within the department.</p>



Reviewer Name:	Jenna Burnett completed for Carey Thurston's review
Review Date(s):	12/03/2021

Jenna Burnett, Compliance:

Reviewed and approved by
Carey Thurston, Controller: