



Dave Yost
Auditor of State

From: Auditor of State's Information Systems Audit Section
To: All IPAs
Subject: UAN Reports
Date: May 30, 2014

Attached is a copy of the agreed upon procedures (AUP) reports for the Uniform Accounting Network (UAN) prepared by Schneider Downs & Co., Inc. The AUPs are applicable for audits of UAN entities for the fiscal year ended December 31, 2013.

Please also note that the UAN AUP contains sensitive information, disclosure of which may compromise the auditee's security, and therefore may be exempt from public disclosure under the Ohio Public Records Act, RC 149.333.

In addition, IPA work papers are not considered public records. Thus in order to take advantage of the following protections provided by RC 4701.19, firms should include the AUP in their audit documentation:

The statements, records, schedules, working papers and memoranda made by a certified public accountant or public accountant incident to or in the course of performing an audit of a public office or private entity, except report submitted by the accountant to the client are not a public record.

Please email IPACorrespondence@ohioauditor.gov with any questions.

AUDITOR OF STATE OF OHIO
Columbus, Ohio

Independent Accountants' Report
on Applying Agreed-Upon Procedures on the Computer Controls
for the Uniform Accounting Network (UAN), version 2014.1

For the year ended December 31, 2013



SCHNEIDER DOWNS

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Auditor of State of Ohio
Columbus, Ohio

We have performed the procedures enumerated in Appendix A, which were agreed to by the Auditor of State of Ohio (AOS), solely to assist AOS in evaluating the computer controls for the Uniform Accounting Network (UAN), version 2014.1, for the year ended December 31, 2013. AOS's management is responsible for the computer controls for the UAN. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and Generally Accepted Government Auditing Standards (GAGAS) issued by the Government Accountability Office of the United States. The sufficiency of these procedures is solely the responsibility of the party specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the computer controls for the UAN. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of AOS and is not intended to be and should not be used by any other party other than this specified party.

Schneider Downs & Co., Inc.

Columbus, Ohio
May 27, 2014

AUDITOR OF STATE OF OHIO

NOTE: For the purpose of performing the following procedures, Schneider Downs & Co., Inc. (Schneider Downs) was provided with four datasets for two separate Uniform Accounting Network (UAN) entities as selected by members of management of the Auditor of State of Ohio (AOS). For one Township, three separate datasets were provided – one before Temporary Mode, one after opening Temporary Mode and one where UAN changed the dataset to OCBOA filing. The other one dataset for a Village was after Temporary Mode. For the select procedures performed, Schneider Downs was directed either to use a specific dataset or haphazardly select a dataset from one of the four datasets provided.

I. UAN

Procedure #1

Update and attach to the AUP report the following AOS provided practices aids for use by financial auditors of the UAN entities for the fiscal year ended December 31, 2013:

- Record of Computer Environment and Controls (RCEC)
- Record of Application Controls (RAC)
- User Control Considerations (UCC) Work Plan

Results:

1. We used the prior-year RCEC template obtained from AOS and confirmed that no formatting or design changes were required in the current year. We then updated the form. The RCEC is included in Appendix B of this AUP report.
2. We used the prior-year RAC templates obtained from AOS and confirmed that no formatting or design changes were required in the current year. We then cross-referenced the agreed-upon procedures we performed to the relevant procedures on the forms. The RACs are included in Appendix B of this AUP report.
3. We used the prior-year UCC template obtained from AOS and confirmed that no formatting or design changes were required in the current year. We then updated the form. The UCC is included in Appendix B of this AUP report.

II. Accounting

Procedure #1

Inspect various data fields within the Accounting application's Receipts and Payments data input screens from the Accounting Transactions menu. In addition, attempt to process various accounting transactions without completing various required fields. Review fields within the "Receipts" and "Payments" screens to confirm edits were in place (Accounting > Transactions > Receipts > "Add" and Accounting > Transactions > Payments > "Add"). The 12/31 bank reconciliation will need to be voided if it has been posted (Accounting > Utilities > Bank Reconciliation Utility).

Results:

We voided the posted 12/31 bank reconciliation (Accounting>Payments>Bank Reconciliation Utility). We inspected various data fields within the Receipts data input screen and attempted to process transactions without completing at least one of the following required fields to confirm edits were in place:

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1. Source
2. Purpose
3. Receipt (Date)
4. Deposit (Date)
5. Post (Date)
6. Total
7. Receipt Distribution (Account Code, Amount)
8. Import Purchase Order
 - a. Distribution (Account Code, Account Name, Amount, Estimated Unspent Amount)
 - b. Purchase Order Number
9. Memo Charges (Type, PO/BC Number, Account Code, Amount)

We inspected data fields within the Payments data input screen and attempted to process transactions without completing at least one of the following required fields:

1. Vendor
2. Post (Date)
3. Detail (Quantity, Description, Unit Price)
4. Distribution (Type, PO/BC Number, Account Code, Amount)
5. Undistributed (Dollar amount)
6. Number (for Manual payment type)

In all instances, a system-generated error message appeared, indicating that the required field must be completed. This message could not be bypassed.

Procedure #2

Inspect various fields and attempt to process erroneous or invalid data into the accounting system through the Accounting Transactions menu “Receipts” input screen (Accounting > Transactions > Receipts > “Add”). In addition, attempt to process transactions outside the accounting period.

Results:

By removing the 12/31/2013 bank reconciliation, and using guidance provided by the UAN Development team to aid in the determination of erroneous or invalid data, we inspected data fields within the “Receipts” input screen and attempted to process erroneous transactions with the following invalid data:

1. Post date outside of accounting period
2. Receipt date more than 30 days before post date
3. Receipt distribution amount of \$.00
4. Receipt date starting with the month of 13

In all instances either a system-generated error message appeared, indicating that the transaction could not be processed, or the action would not display (month of 13). This message could not be bypassed.

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Procedure #3

Obtain and inspect lists of valid funds, revenues and appropriations from the UAN test PC of the following screens:

- Accounting > Reports & Statements > Fund Reports > "Fund Chart of Accounts"
- Accounting > Reports & Statements > Revenue Reports > "Revenue Chart of Accounts"
- Accounting > Reports & Statements > Appropriation Report > "Appropriations Chart of Accounts"

Results:

We obtained and inspected the Fund Chart of Accounts, Revenue Chart of Accounts and Appropriations Chart of Accounts from the system.

Procedure #4

Attempt to add and remove funds on the system to help ensure UAN users are restricted to viewing, activating and deactivating specific standing data (Accounting > Maintenance > Funds).

Results:

We attempted to add available funds listed in UAN, and the system allowed the funds to be added. We attempted to delete funds from the available funds listed in UAN, and the system allowed for deletion for only those funds without activity. The system allowed for activation of funds listed in UAN. We attempted to deactivate a fund with a balance, and the system would allow the fund to be deactivated; however, UAN would not delete any fund with posted balances. The system also allowed for reactivation of these funds.

Procedure #5

Attempt to add and remove appropriation account codes (fund number, program code, and object code) on the system to help ensure UAN users are restricted to viewing, activating and deactivating specific standing data (Accounting > Maintenance > Appropriation Accounts).

Results:

We attempted to add available appropriation account codes listed in UAN, and the system allowed the codes to be added. We attempted to delete codes from the available codes listed in UAN, and the system allowed for deletion for only those codes without activity. The system allowed for activation of codes listed in UAN. We attempted to deactivate a code with a balance, and the system would allow the code to be deactivated; however, UAN would not delete any code with posted balances. The system also allowed for reactivation of these codes.

Procedure #6

Obtain from the UAN test PC monthly reports for two months that are available to the users from the "Accounting" menu. Inspect the reports for the purposes of re-computing mathematical calculations and the accuracy of information between all of the monthly reports. Agree specific amounts between reports based on knowledge of the accounting reports and guidance from the UAN client. Obtain the following monthly reports for review:

- Cash Journal (Accounting > Reports & Statements > Cash Reports > "Cash Journal")
- Cash Summary by Fund (Accounting > Reports & Statements > "Cash Summary By Fund")
- Appropriation Ledger (Accounting > Reports & Statements > Appropriation Reports > "Appropriation Ledger")

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- Fund Ledger (Accounting > Reports & Statements > Fund Reports > “Fund Ledger”)
- Revenue Ledger (Accounting > Reports & Statements > Revenue Reports > “Revenue Ledger”)
- Investment Journal (Accounting > Reports & Statements > Investments Reports > “Investment Journal”)

Results:

We inquired as to whether we should contact the UAN client (Poland Township) to obtain guidance on how to agree specific amounts between reports.

Amended Procedures:

Remove the procedure verbiage “and guidance from the UAN client”.

Results:

We performed the procedures as amended and obtained the above-mentioned reports from one dataset for the months of March and September 2013. We inspected each report and recomputed the mathematical computations without error. We agreed specific amounts between the reports without exception.

Procedure #7

Obtain from the UAN test PC reports for the year that are available to the users. Inspect the below reports to confirm that a sequential number is assigned to each respective payment, purchase order and receipt to help ensure that each transaction is uniquely identified within the UAN Accounting system (Accounting > Reports & Statements >).

- Payment Reports → Payment Listing
 - Filters
 - a. Status: Batch and Posted
 - b. Form Type: The options are All, Warrant, and Voucher. Run once for Warrant and once for Voucher as they have different series of payment numbers
- Purchase Order Reports → Purchase Order Listing
 - Filters
 - a. Status: All
 - b. Type: All
- Receipt Reports → Receipt Listing
 - Filters
 - a. Status: Batch and Posted
 - b. Type: All

Results:

We obtained the reports from the UAN system for the year for the Payment Listing, Purchase Order Listing and the Receipt Listing. We inspected each report to confirm that a sequential number is assigned and noted that the Purchase Order Listing and Receipt Listing report types were sequential; however, the Payment Listing voucher numbers contained numerous sequence breaks.

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Amended Procedures:

Include the review of Payroll Posting Report for the same period and where sequence gaps occurred in the original results, insert the voucher number (listed as "Payroll Posting Number").

Results:

After amending the procedure to add the voucher number from the Payroll Postings Report, there were no sequence breaks within the Payment Listing for vouchers.

Procedure #8

From the UAN test PC, inspect key Annual Financial Regulatory reports available to the users to verify report calculations and to verify information can be accurately traced between the yearly reports. If any of the below reports cannot be inspected with the selected datasets due to the initially selected datasets not containing specific funds or transaction types such as Proprietary Funds, Inter-Fund Transactions or etc. then additional datasets will be queried and provided by UAN that will contain the missing funds. Agree specific amounts between reports using the following reports:

- Cash Reconciliation
- Combining Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis)
- Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (Cash Basis)
- Comparison of Budgeted and Actual Receipts - All Budgeted Funds
- Comparison of Disbursements and Encumbrances with Expenditure Authority - All Budgeted Funds
- Reconciliation of Interfund Transactions
- Cash Summary By Fund

Results:

We inspected the above reports and recomputed mathematical computations in the reports and verified calculations without exception. We agreed a haphazard sample of report data amounts to other system-generated detail and/or reports without exception.

Procedure #9

From the UAN test PC, inspect key Annual Financial OCBOA reports available to the users to verify report calculations and to help ensure information can be accurately traced between the yearly reports. If any of the below reports cannot be inspected with the selected datasets due to the initially selected datasets not containing specific funds or transaction types such as Proprietary Funds, InterFund Transactions or etc. then additional datasets will be queried and provided by UAN that will contain the missing funds. Agree specific amounts between reports using the following reports:

- Statement of Net Assets - Cash Basis or Modified Cash Basis
- Statement of Activities - Cash Basis or Modified Cash Basis
- Statement of Assets and Fund Balances - Cash Basis or Modified Cash Basis - Governmental Funds
- Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities - Cash Basis or Modified Cash Basis

AGREED-UPON PROCEDURES

APPENDIX A

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- Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis or Modified Cash Basis - Governmental Funds
- Reconciliation of the Statement of Receipts, Disbursements and Changes in Fund Balances- Governmental Funds to the Statement of Activities - Cash Basis or Modified Cash Basis
- Statement of Fund Net Position - Cash Basis or Modified Cash Basis - Proprietary funds
- Statement of Receipts, Disbursements, and Changes in Fund Net Position - Cash Basis or Modified Cash Basis - Proprietary Funds
- Statement of Cash Flows - Cash Basis or Modified Cash Basis - Proprietary funds
- Statement of Fiduciary Net Position - Cash Basis or Modified Cash Basis - Fiduciary Funds
- Statement of Changes in Fiduciary Net Position - Cash Basis or Modified Cash - Fiduciary Funds
- Statement of Receipts, Disbursements and Changes In Fund Balance - Budget and Actual - Budget Basis

Results:

We inspected the above reports and recomputed mathematical computations in the reports and verified calculations without exception. We agreed a haphazard sample of report data amounts to other system-generated detail and/or reports without exception.

Procedure #10

Utilizing the UAN test PC, and the instruction scenarios provided by the UAN Software Development Manager, attempt to alter UAN SQL tables in order to create out of balance accounts. Then, advance the system date 24 hours to ensure the UAN application automatically foots all account balances.

Results:

After using the instruction scenarios provided by the UAN Development team in an attempt to perform a footing error; and after the UAN verification of the database integrity process began, an error message did not display.

Management Response:

We understand that you did not receive a footing error when you expected to (when data for both years 2013 and 2014 were available). Please rerun this procedure when only 2013 data is available. This is an issue in the application that will need to be addressed in the next year-end release. UAN reviewed the data submitted to the Auditor of State by every UAN client and no client was affected by this issue.

Amended Procedures:

Rerun the procedures when only 2013 data is available instead of both of the years 2013 and 2014 data being available.

Results:

When rerunning the procedures using 2013 data only, we altered two SQL data tables in order to create out-of-balance accounts. After making the alterations and either advancing the system date by approximately 24 hours (and attempting to access UAN after the next systematic scheduled footing), or allowing the UAN data verification process to occur, we received a system-generated message stating: "a footing discrepancy was detected while verifying the database. Try to log in again. If you cannot, contact UAN for assistance." Upon refreshing the UAN client dataset, we were able to enter the UAN application, and noted that the balances had reset to their original amounts, eliminating the out-of-balance account positions.

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Procedure #11

Change the schedule for backups (General > Maintenance > Entity Setup > System > “Require a UAN backup every ## days”) to 1 and confirm backups are automatically run each day and if they are not confirm that the application will not allow further transactions if the backup is not performed. Also, confirm that backups cannot be saved to the server or PC that the SQL database resides (make sure you are not connected to a network drive when you do this).

Results:

We changed the UAN backup schedule from 7 days to 1 day in order to promote a required system backup. After making this alteration and waiting one day, we attempted to access UAN, and did receive a system-generated message requiring a backup to be performed. After 1 additional day lapsed, we did receive the same system-generated message stating, “A required UAN Backup is overdue. UAN is temporarily inaccessible. The UAN Backup form will open automatically after you click [OK]. If you cannot complete a UAN Backup, contact UAN for assistance.” This message could not be bypassed. Upon creating a system backup, entry in the UAN application was permitted. We also confirmed that the backup cannot be saved to the server or PC where the SQL database resides.

III. Payroll

Procedure #1

Inspect various data fields within the payroll application’s maintenance (Payroll > Maintenance) input screens. Attempt to process various payroll transactions without completing required fields in order to ensure that the system would indeed react properly to these missing or incorrect entries. Inspect fields within various payroll maintenance screens to confirm edits were in place. (UAN Development will provide detail on the edits.)

Results:

We inspected various data fields within the payroll application’s maintenance input screens and attempted to process various payroll transactions without completing at least one of the following required fields, to confirm that edits were in place:

1. Name (Add Earning or Leave)
2. Type (Add Earning or Leave)
3. Add Employee
 - a. Address
 - i. Line 1
 - ii. City
 - iii. State
 - iv. Zip
4. ID
5. Add withholdings
 - b. Name
 - c. Payee
 - d. Process Group
6. Medicare Withholding

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In all instances, error messages appeared indicating that the required fields needed to be completed. The messages could not be bypassed.

Procedure #2

Attempt to process the following information and observe the system response:

- Add a new employee using a pre-existing employee ID.
- Social Security Number blank or fewer than 9 digits.
- Invalid Month, Day or Year in Birth Date field.
- Routing Number less than 9 digits.

Results:

Upon depressing “EFT Prenotes” associated with the bank routing number in the payroll maintenance menu, a “System Message” was received: “EFT functionality is currently disabled. To activate EFT, please contact UAN Support. Contact information for your bank’s EFT specialist must be provided for UAN to confirm EFT system compatibility”.

Amended Procedures:

To remove this message and proceed with the procedures, the UAN Development team provided a password and instructions on how to activate EFT activity.

Results:

Once EFT functionality was activated, we attempted to add a new employee using a pre-existing employee ID, a blank SSN field, a SSN with fewer than 9 digits, an invalid birth month, day or year and a routing number less than 9 digits. In all instances, either an error message appeared or the data input would not display (invalid birth month of 13). It was noted that a new employee could be added without having a birth date entered; however, a new employee could not be added with an invalid month, day or birth year (based on UAN Development team guidance provided).

Procedure #3

Obtain an understanding of expected results for entry of correct and erroneous data in various fields within the payroll system. Attempt to enter erroneous data in various fields within the payroll system to confirm edits were in place to prevent data entry errors. (UAN will provide a list of edits at the beginning of the audit.)

Results:

Using the guidance provided by the UAN Development team to aid in the determination of erroneous data, we obtained an understanding of the expected results within the payroll system and attempted to process erroneous transactions with the following invalid data:

1. Add Earning or Leave with the name type already added
2. An Earning or Leave with an Overtime rate of .90
3. Hours worked less than zero
4. Entry of negative hours in the Leave Accrual & Proration area
5. An invalid SSN according to the UAN Development team guidance

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In all instances, a system-generated error message appeared, requiring correction of the data in the field. This message could not be bypassed.

Procedure #4

Attempt to delete various payroll records contained in the UAN system that would be considered standing data fields (note whether the record is 'In Use' or 'Not In Use', including: withholdings, payees (vendors), earnings, employee info, and pay frequencies) in order to ensure that UAN users are restricted from removing payroll records that are in use.

Results:

We noted that the word "delete" and "remove" were both used in the procedures.

Amended Procedures:

Change the verbiage "Attempt to delete various payroll records" to "Attempt to remove various payroll records."

Results:

We performed the procedures as amended. We attempted to remove the following payroll records that are considered standing data fields in the UAN system:

- Earnings and leave
 - a. Wages
 - b. Overtime Wages
 - c. Holiday O.T.
- Withholdings
 - a. Ohio Income Tax
 - b. Federal Income Tax
 - c. Social Security
- 3 Active Employees

The system would not allow payroll records to be removed. We received a system message indicating that the payroll record was in use.

Procedure #5:

Attempt to reallocate and adjust wages and adjust pay period data through the "Payroll Utilities Menu" (Payroll > Utilities) using the UAN test PC. Note: A dataset that is not in temporary mode is required to reallocate or adjust wages.

Results:

Using guidance from the UAN Development team to aid in the procedures we were able to:

1. Reallocate withholdings consisting of whole percentage amounts;
2. Adjust a negative withholding;
3. Adjust an earning type wage rate; and
4. Adjust pay periods.

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We could not post wage Earning/Withholdings reallocations for a quantity of 0.5. A system-generated message was received: "An error was encountered while accessing the database. If this is the first time you have received this message, restart your computer and try again. If you continue to receive this message, contact UAN for assistance."

Management Response:

On the wage in question, all the employee share withholdings on the original (unreallocated) wage had either calculated as \$0 or the user had edited them to \$0 before the wage was posted. This is what caused the attempted reallocation of Earning/Withholdings to fail to post and the generic error message about a failure accessing the database to be displayed. It would not have mattered what percentage reallocation Schneider Downs tried on this wage, it was going to fail because all of the employee share withholdings were \$0. Having a wage where all of the employee share withholdings are \$0 is very unusual, and we do have a work order in to fix that issue.

Schneider Downs did select another wage where at least one of the employee share withholdings was not \$0 and was able to post an Earning/Withholdings reallocation for that wage.

Procedure #6:

From the UAN test PC, obtain and review key reports available to the users from the Payroll Reports menu to re-compute report calculations and to help ensure that fund, account codes and amounts agree between related reports. Use the following reports:

- Wage Reports (Payroll > Reports & Statements)
 - Wage Withholdings Summary
 - Date: Year
 - Filters Tab:
 - Status: Posted
 - Options Tab:
 - Show employee withholding details
 - Wage Earnings Summary
 - Date: Year
 - Filters Tab:
 - Status: Posted
- Withholding Reports (Payroll > Reports & Statements)
 - Withholding History
 - Withholding Fund Allocation
 - Date: Year
 - Options Tab:
 - Show Account Detail
- Vendor / Payee Reports (General > Reports & Statements)
 - Vendor / Payee Payment Register
 - Date: Year
 - Filters Tab:
 - Type: Payroll Withholding
 - Sorting Tab:
 - Group by: Vendor / Payee then Payment

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Results:

We inspected the above-mentioned reports. We recalculated the reports without exception. We agreed shared information on a haphazard basis between the reports without exception.

Procedure #7

From the UAN test PC, obtain and review the yearly W-2 report (Payroll > Reports & Statements > Tax Reports - Federal > W-2 Report) available to the users from the Payroll Reports menu to help ensure that information and amounts agree between the W-2 report and the actual W-2 for W-2s that have not been edited.

Results:

We obtained and reviewed the 2013 W-2 report and agreed a haphazard sample of employee amounts from the W-2 report to the actual W-2's without exception.

Procedure #8

Edit W-2s and re-run W-2 report to confirm changes made to W-2s did not modify W-2 information through the application and consequently was not reflected in the W-2 yearly report.

Results:

We edited wage amounts for three different employees. The system allowed the edits to be processed. To confirm that the edits made to the W-2s did not modify W-2 information through the application, we generated the yearly W-2 report and noted that the changes made for the three employees in the system did not appear on the regenerated report.

Procedure #9:

Attempt to post wages and observe that wages are posted to the appropriate account codes and cash. Trace the wages posted from the payroll register to the appropriations ledger. A dataset prior to 12/31 may be required to perform this test, UAN will provide an additional dataset if requested. (The 12/31 bank reconciliation will need to be voided if it has been posted.)

Results:

We posted two employee wages and were able to observe that wages are posted to the appropriate account codes and cash. We traced the wages posted to the Appropriation Ledger and the Cash Journal without exception.

Procedure #10:

Print a selection of the Payroll System reports available to the users from the UAN test PC and recalculate them to help ensure the accuracy of mathematical calculations and the accuracy of information shared between related reports. Use the following reports:

- External Forms (Payroll > Reports & Statements)
 - ODJFS Wage Detail
 - Screen prints of menu path of reports
 - Subtotals and summary of ODJFS Wage Detail Listing
 - ODJFS Wage Detail Listing

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- Print
- Mark “Internal Use Only”
- Tax Reports – Federal (Payroll > Reports & Statements)
 - Federal Tax Report
 - Screen prints of menu path of reports
 - Subtotals and summary of Federal Tax Report
 - Federal Tax Report
- Tax Reports – Other (Payroll > Reports & Statements)
 - Ohio Tax Report
 - Screen prints of menu path of reports
 - Subtotals and summary of Ohio Tax Report
 - Ohio Tax Report
- Wage Reports (Payroll > Reports & Statements)
 - Wages and Overtime Summary
 - Sorting Tab: Group and subtotal by department

Results:

We inquired for additional guidance on the period for which the reports are to be run. The UAN Development team advised to run the reports for a quarter.

Amended Procedures:

Run the reports for a quarter. To compare the gross earnings between reports, select the same quarter for all reports.

Results:

We printed the above-mentioned report from one dataset for the third quarter. We recalculated the reports without exception. We agreed shared information on a haphazard basis between the reports without exception.

IV. Independent Verification of Key Accounting/Payroll Reports

For a selected entity, extract the entity database files and use data analysis software to independently reproduce, foot and recalculate the following major accounting and payroll reports:

- Combining Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Cash Basis)
- Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Cash Basis)
- Wage Withholding Summary
- Statement of Net Position – Cash Basis or Modified Cash Basis
- Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual
- Fund Status
- Revenue Status
- Revenue Receipt Register

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Results:

We obtained the current-year version 2014.1 data files from the AOS-selected entity. We used data analysis software to extract the entity database files and independently reproduced, footed and recalculated the above-mentioned major accounting reports without exception.

V. Restricted Access to the UAN System and Personal Information

Procedure #1

Attempt to gain access to the UAN system by entering an invalid system password.

Results:

We attempted to gain access to the UAN system by entering an invalid system password. The system generated an error message indicating that an invalid password was entered.

Procedure #2

Create one Role (General > Maintenance > Roles > “Add”) for the Accounting, Payroll, Budget and General applications. Give the role all access and check the Belongs to Fiscal Office check box. Create one user account (General > Maintenance > Users > “Add”) and grant them access to the role created. Attempt to gain access to the UAN application by entering a valid and an invalid application User ID and a valid and invalid application password for the User ID.

Results:

We created one Role for the Accounting, Payroll, Budget and General applications and gave the role all access and checked the “Belongs to Fiscal Office” checkbox. We also created one user account and granted the individual access to the newly-created role. A system-generated message indicated, “This password will expire upon the user’s first login. The user will be prompted to choose a new password.” We attempted to gain access to the UAN application by entering an invalid application User ID. The system generated an error message indicating that an invalid User Name or Password was entered. Upon entry of a valid User Name and Password, a “Password has expired for this User Name” message was received, allowing for the creation of a new password and access to UAN.

Procedure #3

Log in with the User ID and attempt to gain access to the Accounting, Payroll and Budget applications to help ensure application access can be restricted to authorized users. Then, remove access to functions for the role created and attempt to gain access to the functions that were removed from the role to help ensure application access can be restricted to authorized users.

Results:

With the User ID created in Procedure #2 above, we successfully logged in and gained access to the Accounting, Payroll and Budget applications. With an administrative password, we removed access to the Accounting, Payroll and Budget application for the role created and upon attempt to gain access to the removed menus, we noticed that the menus were gray-scaled and not available.

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Procedure #4

Log in with the User ID and attempt to change the password (General > Maintenance > Change Password). Attempt to make a password that is less than 8 characters, does not contain 2 of the 4 complexity requirements (upper case, lower case, special character and numeric), and that is the same as the existing password.

Results:

With a User ID, we attempted to create a new password with fewer than eight characters, a password that does not contain two of the required password complexity elements and a new password that was the same as the existing one. In all instances, a system-generated message was displayed preventing the password from being created.

Procedure #5

Attempt to gain access to UAN by entering an invalid password three times to confirm the account will be deactivated.

Results:

We attempted to gain access to UAN by entering an invalid password two times and received a system-generated message indicating: "The User Name or Password you entered is invalid." Upon entering an invalid password on the third attempt, a system-generated message was received indicating: "This User Name has been deactivated due to: 3 consecutive invalid password entries OR 3 consecutive failed password changes OR deactivated by a local administrator. If you are the only local administrator, MAIL or FAX UAN Support. UAN requires reset requests on official letterhead by mail or fax." This message could not be bypassed.

Procedure #6

Add three months to the clock on the UAN PC and attempt to log in using the User ID and password to confirm the password has expired and must be changed.

Results:

We added three months to the system clock on the UAN PC and attempted to log in using a previously created active User name and password. A system-generated message was received indicating the password had expired for the User Name entered which could not be bypassed.

Procedures #7

Using the System Admin ID and password provided by UAN, identify the list of logins. Attempt to gain access to SQL Management Studio using the list of logins. (A Guide to Accessing SQL Management Studio will be provided by UAN).

Results:

An inspection of the SQL server disclosed 12 database logins, of which 5 had "SQL server authentication" access that was eligible for inclusion in this procedure. Attempts to gain access into SQL Management Studio using the 5 logins were made using a random password, but a system-generated message was received indicating that the Login attempts failed. This message could not be bypassed.

AUDITOR OF STATE OF OHIO

Procedures #8

In SQL Management Studio, attempt to gain access with Windows Authentication. (A Guide to Accessing SQL Management Studio will be provided by UAN).

Results:

An inspection of the SQL server disclosed 12 database logins, of which 6 had “Windows authentication”. We attempted to gain access to SQL Management Studio using Windows Authentication; however the Username and Password fields became grayscale and not available for input, and a system-generated message appeared indicating that the login failed. This message could not be bypassed.

APPENDIX B

Auditor of State of Ohio

Record of Computer Environment and Controls (RCEC)

REGION	
CLIENT NAME AND ADDRESS	

List All Client Contact(s) Within the information technology (IT) Function and/or User Departments				
Contact Person & Job Title	Department	Application (if any)	Telephone Number and/or e-mail address	Fax Number

List All Vendor Contact(s) for Audit Significant Applications				
Contact Person & Job Title	Company Name	Application	Telephone Number and/or e-mail address	Fax Number
Timothy Moloney, Director of UAN		UAN	1-614-728-7218 tmoloney@ohioaudit.or.gov	(866) 381- 0084
Thomas Hartman, UAN Software Development Manager		UAN	1-614-644-3513 thartman@ohioaudit.or.gov	(866) 381- 0104

Fiscal or Calendar Year Ended	12/31/13		
Completed/Updated by (Initials and Date) NOTE: Audit staff can complete Part 4, and test it if we wish to assess control risk at less than maximum or as low. Audit staff should request ISA assistance if necessary.			
Part 1: Key Applications and Background			
Part 2: Computer Environment			
Part 3: Screening Questions			
Part 4: General Controls for Basic IT Environment			
Part 5: General Controls for Complex IT Environment - ISA should complete Part 5. ISA should test Part 5 if we wish to assess control risk at less than maximum or low.			
Part 5.1 Overall Operations of the IT Function			
Part 5.2 Development of New Applications and Systems			
Part 5.3 Changes to Existing Applications and Systems			
Part 5.4 IT Security			
Part 5.5 IT Operations			
Reviewed by Engagement Senior Audit Manager			
Reviewed by ISA (only required for Complex IT Environments)			
Senior audit manager <i>and ISA (for complex environments)</i> considered whether control weaknesses pose fraud risk factors. If so, audit reaction developed and documented and attached to FRAQ. (See SAS 99, par. 43, 44)			

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 1: Key Applications and Background**

1.1a Audit Significant Applications: Complete this section for each audit significant application. (Insert additional rows if necessary.)				
Application Name and Version Number (if Known)	List the Agency and/or Department Using the Application	List Vendor Name or State In-House Development	List the Computer System on which the Application is Run	Implementation Date/ Last Upgrade Date (Approximate)
Accounting and Payroll Users Version 2014.1.	Townships, Villages, Libraries and Special Districts	Uniform Accounting Network (UAN) (In-House)	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.	December 24, 2013 most recent upgrade
Description of Application**:	The accounting and payroll modules of the UAN software is a PC Windows-based integrated system that maintains accounting and payroll transactions and accounting history, and generates various accounting, payroll and budgetary reports of entity transactions for management.			
Description of Application**:				
Description of Application**:				
**Note: The description of the application should include a brief description of what the application does and the types of transactions processed. The programming language used and the existence of any application-level security should also be described here (if known).				

1.1b Audit Significant Applications: List any known problems or limitations with any of the applications listed above. In addition, list any significant modifications planned for the above listed applications.
None noted.

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 1: Key Applications and Background**

1.2 Other Operationally Significant Applications: Applications that maintain financial information, but are not considered "Audit Significant" (e.g., Trailer Homes, Dog Licensing). (Insert additional rows if necessary.)				
Application Name and Version Number (If Known)	List the Agency and/or Department Using the Application	List Vendor Name or State In-House Development	List the System Hardware on which the Application Runs	Implementation Date/ Last Upgrade Date (Approximate)
Cemetery Transactions, Reports & Statements, Maintenance	Townships, Villages, Libraries and Special Districts*	UAN	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.	December 23, 2013 – UAN Version 2014.1 - most recent upgrade
Inventory Transactions, Reports & Statements, Maintenance	Townships, Villages, Libraries and Special Districts*	UAN	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.	December 23, 2013 – UAN Version 2014.1 - most recent upgrade

***Special Districts include:**

- **Ambulance Districts**
- **Cemetery Districts**
- **EMS Districts**
- **Fire Districts**
- **Fire/EMS Districts**
- **Joint Ambulance Districts**
- **Joint EMS Districts**
- **Joint Fire Districts**
- **Park Commissions**
- **Port Authorities**
- **Soil and Water Conservation Districts**
- **Water and Sewer Districts**

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 2: Computer Environment**

2.1a System Hardware (e.g., Mainframe, Mid-Range, PC, LAN, Client/Server or Firewall)		
System Hardware (Include Manufacturer and Model #)	Department or Agency Using the System Hardware	Type of System Hardware (See Examples Above)
AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.	Townships, Villages, Libraries and Special Districts	PC

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 2: Computer Environment**

2.1b System Software (e.g., Operating System, Network Operating System, Firewall, Security Software, Access Language, Data Dictionary, Report Generator, Data Manager, Compiler, Command Language, Job Scheduler, Library Systems, etc...)		
System Software (Include Vendor and Version #)	Type of System Software (See Examples Above)	System Hardware (Include Manufacturer and Model #)
Windows 7 Professional, No Media, 64-bit, Optiplex, English (421-5606) [Desktop]; Windows 7 Professional, No Media, 64-bit, Optiplex, English (421-5606) [Laptop]	Operating System	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.
Symantec Endpoint Protection – Version 12.1.2015.2015	Antivirus	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.
Symantec Endpoint – bundled with AntiVirus (no version indicated)	Firewall	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.
Microsoft SQL Server 2005 – Microsoft SQL Server Management Studio Express, Version 11.0.3128.0	Command Language	AOS offers Dell 9010 Desktop or Dell Latitude E6530 Laptop; however, UAN clients can use select PC of their choice to load this on.

Note: You must complete Part 2 for each “audit significant” application you identified in Part 1.1a.

2.1c Data Communications Environment	
Local Area Network <ul style="list-style-type: none"> • Network Configuration (e.g., Token Ring or Ethernet) • Version Used (ex. Windows NT, Novell) 	
Protocols Used (e.g., TCP/IP, IPX/SPX, NetBEUI, DECnet or AppleTalk)	
Internet Service Provider (ISP) (e.g., AOL, MSN, EarthLink, etc...)	
Remote Access (e.g., dial-up or dedicated connection)	
Number of Terminals with Internet Connections	

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 2: Computer Environment**

2.2 Overview of network links

Identify the CPU (Mainframe, Mid-Range, PC, LAN and/or Client Server), that processes Audit Significant Applications. The diagram should also list; any departments that use the Audit Significant Applications, applications used by the department, the number of users in the department and the number of terminals (PCs) in the department. Draw a simple diagram below or attach a client supplied diagram, if available. The diagram should depict the CPU and include an overview schematic of the client's LAN/WAN (including routers and bridges) to the Internet, dial-up servers and connections to any other key networks or nodes.

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 3: Screening Questions**

3 Screening Questions for Determining if a Computer Environment is Basic or Complex

1. Do organization personnel have access to the source code to modify applications (This includes third party software packages)?

Yes

No

Notes:

2. Do organization personnel have access to modify stored computerized data outside the normal application process?

Yes

No

Notes:

3. Does the organization employ individuals with the knowledge to modify applications or modify data outside of the normal application processing?

Yes

No

Notes:

If questions 1 and 2 were answered “no”, then the entity is considered to have a basic IT environment and Part 4 should be completed. Audit staff can complete Part 4. Audit staff should test Part 4, if we wish to assess control risk at less than the maximum level or as low. Audit staff should request assistance from ISA if needed.

If question 3 and either 1 or 2 were answered “yes”, then the entity is considered to have a complex IT environment and Part 5 should be completed by ISA. Part 5 must be tested if we wish to assess control risk at less than the maximum level or as low. Tests of Part 5 controls should be performed by ISA.

If questions 1 or 2 were answered “yes”, but question 3 is answered “no”, then the entity’s IT environment is considered to have limited risk and Part 4 should be completed (and tested, if we wish to assess control risk below the maximum level or as low).

NOTE: If either question 1 or 2 were answered “yes”, then question 3 is important to determine the actual risk. It is possible that an entity has the source code from the third party vendor (“yes” to question 1), but does not employ anyone who is knowledgeable enough to modify it (“no” to question 3). Thus the risk is reduced.

For question 2, even though most third party packages make it difficult to modify data, it may be possible. But again, the risk is tempered by the knowledge of the personnel (question 3).

Entities with in-house developed software normally have knowledgeable personnel with access to the source code. Access to modify data outside the normal application process should never be available. However, some vendor software is very simple and does not adequately protect the data files. Thus we must evaluate the client staff’s knowledge and capability to modify the data.

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 4: General Computer Controls in a Basic IT Environment**

Control Objective	Control Procedures that address the Control Objective	W/P X-Ref*
<p>4.1 Acquisition and Implementation of New Applications or Systems - Management should assess the ongoing needs for new Information Technology (IT) and monitor the installation of any acquisition(s) to ensure its successful implementation.</p> <p>NOTE: This section should be completed but not tested, unless the organization is in the process of implementing a new audit significant application.</p> <p><i>Consider, for example, the following points of focus:**</i></p> <ul style="list-style-type: none"> ➤ Is the development or revision of information systems over financial reporting based on a strategic plan and interrelated with the entity's overall information systems, and is it responsive to achieving the entity wide and activity-level objectives? ➤ Are management and end-users involved in determining specifications for new IT and its eventual selection? ➤ Does management monitor progress toward successful implementation of new IT acquisitions? ➤ Does management ensure that the organization's personnel have been adequately trained to use any new IT acquisitions? <p><i>** Throughout this document, all relevant points of focus should be considered. Additional points of focus may be added if considered applicable.</i></p>	<p>N/A</p>	
<p>4.2 Changes to Existing Applications and Systems - Management should be involved in monitoring changes/upgrades to existing applications or systems to ensure they operate as intended. (NOTE: This question relates to routine upgrades to packaged software and to general policies for application revisions.)</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> ➤ Does management rely on manual application controls (e.g., comparison of system data to non-system data) to assess whether the applications are functioning as intended? ➤ Does management evaluate the need for application or hardware system upgrades before requesting or accepting them from the vendor(s)? ➤ Does management obtain users' views on the functional and operational quality of existing applications or hardware system prior to accepting upgrades? ➤ Is management involved in acceptance testing 		

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 4: General Computer Controls in a Basic IT Environment**

Control Objective	Control Procedures that address the Control Objective	W/P X-Ref*
<p>of changes prior to implementation?</p> <ul style="list-style-type: none"> ➤ Does management have software support agreements with their application or hardware system vendor(s)? ➤ Does management receive software or hardware system upgrade implementation procedures to ensure upgrades are installed properly? 		
<p>4.3 IT Security - Management should ensure the implementation of access control policies and procedures, which are based on the level of risk arising from access to programs and data.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> ➤ Has management developed security policies and procedures which address users' computer access rights and responsibilities? ➤ Has management established procedures to monitor attempted or actual unauthorized access to data and programs? ➤ Are there system-level access controls in use to restrict access to the system, programs, and data? ➤ Is access to the Internet controlled through the use of firewalls? ➤ Are there application-level access controls, such as user id's and passwords, in use to restrict access to particular functions or standing data in an application? ➤ Has management ensured the physical security of the computer facilities and data, such as placing the computer facility in a secure location and providing adequate protection from fire? 		
<p>4.4 IT Operations - Management should have controls in place for the operation of the computer system to guard against high-levels of system downtime, data processed against incorrect files, job failures, and reruns.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> ➤ Does management ensure that operators and/or users have appropriate skills and supporting documentation to perform their duties? ➤ Does management and/or users monitor the performance of their applications and systems to ensure they are running efficiently and effectively? ➤ Is management aware of or notified of operational failures (e.g., disk drive problems, and program ABENDs) and ensure that they are appropriately resolved? ➤ Does management ensure that 		

*Cross reference tests performed.

**Record of Computer Environment and Controls (RCEC)
Part 4: General Computer Controls in a Basic IT Environment**

Control Objective	Control Procedures that address the Control Objective	W/P X-Ref*
<p>operators/users back-up programs on a regular basis and store the back-ups in a secure off-site location?</p> <ul style="list-style-type: none"> ➤ Does management have a plan for disasters/emergencies? ➤ Is computer equipment covered by an insurance policy? 		
Audit Implications and/or Management Letter Comments for Part 4:		

*Cross reference tests performed.

**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

Section 1.

Part A: Transaction Level Controls		
Control Objective NOTE: Points of focus apply as follows: (A) Apply to all taxing districts (C) Apply only to audits of counties	What control procedures address the control objective?	W/P Ref.¹
<p>1.1 Authorization: Recorded transactions are based upon actual millage or other tax rates established by the entities' governing bodies and are approved. Payments received represent valid payments by assessed taxpayers. Non-cash adjustments are valid and are approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <p>(A) What assures that levies/millage is properly approved?</p> <p>(A) What assures that tax exemptions are within the law and properly approved?</p> <p>(C) What prevents or detects unauthorized adjustments to the tax roll?</p> <p>(C) What assures that tax assessments are being properly applied against tax rates and special charges are considered in preparing billing amounts?</p>		
<p>1.2 Completeness of input: Authorized tax levy transactions, including billing, collection and authorized adjustments are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <p>(A) What assures that all cash receipts are input for processing?</p> <p>(C) What assures that all eligible property owners are billed?</p> <p>(C) What assures that all exemptions from tax are input for processing?</p>	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>

¹ If we test application controls, cross reference to application control tests.

² Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

Part A: Transaction Level Controls (Continued)		
Control Objective NOTE: Points of focus apply as follows: (A) Apply to all taxing districts (C) Apply only to audits of counties	What control procedures address the control objective?	W/P Ref.
<p>1.3 Accuracy of input: Tax levy transactions, including billings, collections and adjustments are accurately recorded as to amounts, dates and taxpayer, to the credit of the proper local government. <i>Consider, for example, the following points of focus:</i></p> <p>(A) What assures that the amounts of cash receipts are accurately recorded? (C) What assures that individual tax billings agree to the total tax levy? (C) What assures that discounts and penalties are properly computed, and credited to the proper fund</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>1.4 Cutoff of Transactions</p> <p>(A) What assures that tax cash receipts are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>1.5 Transaction Classification</p> <p>(A) What assures that cash receipts (i.e., a county's collections against a levy, and a local government's settlement receipts) relate to tax collections? (In other words, how does the entity assure that tax receipts are coded to the proper account classification?)</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>1.6 Transaction Occurrence</p> <p>(A) What assures that the cash receipts recorded occurred and not fictitious? (C) What prevents duplicate tax assessments?</p>	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Account Balance Level Controls:		
<p>1.7 Existence</p> <p>(A) What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>1.8 Integrity of standing data: Changes to standing data are authorized and accurately input-</p>	<p>Access to UAN can be restricted to users to viewing, activating, or deactivating funds and</p>	<p>Refer to Schneider Downs</p>

**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

<p><i>Consider, for example, the following points of focus:</i> (A) What assures that changes to standing data are accurately input? (C) How are changes to standing taxpayer information (property values, legal descriptions, etc.) approved?</p>	<p>account codes.</p>	<p>Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>Part B: Account Balance Level Controls: (Continued)</p>		
<p>Control Objective NOTE: Points of focus apply as follows: (A) Apply to all taxing districts (C) Apply only to audits of counties</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>1.9 Completeness and accuracy of updating: Tax billings and cash receipts are accurately updated to the tax roll and cash receipts databases.</p> <p><i>Consider, for example, the following points of focus:</i> (A) What assures that total cash receipts input is equal to the amount updated to the cash receipts accounting records? (C) What assures that the total cash receipts input is equal to the amounts updated to the tax roll? (C) What prevents or detects incorrect entries to taxpayer accounts?</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>
<p>1.10 Completeness and accuracy of accumulated data: The integrity of individual taxpayer accounts in the tax roll, and the taxes receivable (if recorded) and cash accounts in the accounting system, after tax levy transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i> (A) How are bank statements reconciled to the accounting records? (C) How are disputed amounts resolved? (C) How is the general ledger reconciled to the tax roll? (Note: For most counties, the tax roll is not recorded on the ledger. Taxes receivable are manually adjusted onto trial balances only at year end, so this step is N/A.)</p> <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

control assessment.		
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**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

Part B: Account Balance Level Controls: (Continued)		
Control Objective NOTE: Points of focus apply as follows: (A) Apply to all taxing districts (C) Apply only to audits of counties	What control procedures address the control objective?	W/P Ref.
<p>1.11 Restricted Access to Assets: Only authorized personnel should have access to tax roll records (including standing data) and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <p>(A) Is there adequate segregation of duties between those receiving and recording cash receipts?</p> <p>(A) How are cash receipts protected before they are deposited?</p> <p>(C) Is there adequate segregation of duties between cash receipts processing and posting to the tax roll database?</p> <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>
<p>1.12 Completeness and Accuracy of Tax Payments:</p> <p>Amounts collected for various governmental entities should be paid to those governments.</p> <p><i>Consider for example, the following points of focus:</i></p> <p>(C) What assures that amounts collected for various local governments in a county are accurately summarized and paid to those governments?</p>	<p>N/A</p>	

**Record of Application Controls (RAC)
Government Assessed Taxes
(e.g. Property Taxes, Special Assessments)**

Government-Assessed Taxes -- Audit reaction and/or management comments, etc.:
Assertion(s) weakness(es) affect:
Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):
Possible management comments / significant deficiencies/noncompliance, etc. :

**Record of Application Controls (RAC)
Self-Assessed Taxes
(e.g. Sales and Income Taxes)**

Section 2

Part A: Transaction Level of Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>2.1 Authorization: Recorded transactions represent actual taxes imposed at rates established by the entity's governing body and are approved. Receipts (remittances) represent valid payments by assessed taxpayers. Non-cash adjustments are valid and approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - How are tax rates and payment plans approved? - What assures that tax exemptions are within the law and properly approved? - What prevents or detects unauthorized adjustments to taxpayer accounts? 		
<p>2.2 Completeness of Input: Authorized tax filings and cash receipts are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all tax remittances are input for processing? 	The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1
<p>2.3 Accuracy of Input: Tax remittances are accurately recorded as to amounts, dates, taxpayer and type of tax:</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that tax remittances are accurately recorded? - What assures that taxpayer prepared tax forms are mathematically accurate? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7
<p>2.4 Cutoff of Transactions: What assures that tax cash receipts are recorded in the proper period?</p>	The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2

1 If we test application controls, cross reference to application control tests.

2 Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way of determining the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves repeating a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Self-Assessed Taxes
(e.g. Sales and Income Taxes)**

Part A: Transaction Level of Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>2.5 Transaction Classification: What assures that cash receipts (i.e. collections against tax rates) relate to tax collections? (In other words, how does the entity assure that tax receipts are coded to the proper account classification?)</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>2.6 Transaction Occurrence: What assures that the cash receipts recorded occurred and not fictitious?</p>	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Cycle Level Controls		
<p>2.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>2.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing taxpayer information approved? - What assures that taxpayers are filing currently and with the appropriate jurisdiction? - What assures that changes to standing data are accurately input? 	<p>Access to UAN can be restricted to users viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>2.9 Completeness and Accuracy of Updating: Taxpayer remittances are accurately updated to the taxpayer and cash receipts databases.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total cash receipts input is equal to the amounts updated to the taxpayer and cash receipts databases? - What prevents or detects incorrect entries to taxpayer accounts? <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>

**Record of Application Controls (RAC)
Self-Assessed Taxes
(e.g. Sales and Income Taxes)**

Part B: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>2.10 Completeness and Accuracy of Accumulated Data: The integrity of individual taxpayer accounts in the taxpayer database and the tax revenue and cash accounts in the accounting system, after tax collection transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are bank statements reconciled to the accounting system accounts? - How is the income tax fund cash accounting records reconciled to the taxpayer database? - How are disputed amounts resolved? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>2.11 Restricted Access to Assets and Records: Only authorized personnel have access to taxpayer records (including standing data and taxpayer filings) and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between cash receipts processing and posting to the taxpayer database? - Is there adequate segregation of duties between those receiving and recording cash receipts? - How are cash receipts protected before they are deposited? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>

**Record of Application Controls (RAC)
Self-Assessed Taxes
(e.g. Sales and Income Taxes)**

Self-Assessed Taxes -- Audit reaction and/or management comments, etc. :
Assertion(s) weakness(es) affect:
Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):
Possible management comments / significant deficiencies/noncompliance, etc. :

**Record of Application Controls (RAC)
Intergovernmental Revenue**

Section 3

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>3.1 Authorization: Recorded transactions represent valid intergovernmental financial assistance received and are approved.</p> <p><i>Consider, for example, the following point of focus:²</i></p> <ul style="list-style-type: none"> - How are intergovernmental financial assistance applications, agreements, contracts, etc., approved? 		
<p>3.2 Completeness of Input: Authorized intergovernmental financial assistance transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all intergovernmental financial assistance received is input and accepted for processing? - What assures timely billing of amounts due under intergovernmental financial assistance programs (e.g. grant reimbursement requests)? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>3.3 Accuracy of Input: Intergovernmental financial assistance transactions are accurately recorded as to amounts, dates and grantors, and are recorded in the proper period.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are variances between amounts received and amounts anticipated under terms of contract identified and investigated? - What assures that intergovernmental financial assistance programs are separately identified from locally funded activities? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>3.4 Cutoff of Transactions What assures that intergovernmental cash receipts are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>

¹ If we test application controls, cross reference to application control tests.

² Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Intergovernmental Revenue**

<p>3.5 Transaction Classification What assures that cash receipts relate to intergovernmental collections? (In other words, how does the entity assure that intergovernmental receipts are coded to the proper account classification)?</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>3.6 Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the cash receipts recorded occurred and not fictitious? - What prevents duplicate intergovernmental receipts? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>Part B: Cycle Level Controls</p>		
<p>Control Objective</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>3.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>3.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing grantor information and account codes approved? (Note: This would only apply if the government maintains standing data in the accounting system to help account for grant data, such as CFDA or grant numbers, etc.) - What assures that changes to standing data are accurately input? 	<p>Access to UAN can be restricted to users viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>3.9 Completeness and Accuracy of Updating: Intergovernmental financial assistance transactions and cash receipts are accurately updated to the cash receipts database.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total cash receipts input is equal to the amounts updated to the cash receipts database? (Note: This would be n/a if there is no separate grants accounting system.) <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>

**Record of Application Controls (RAC)
Intergovernmental Revenue**

<p>3.10 Completeness and Accuracy of Accumulated Data: The integrity of cash accounts in the accounting system, after cash receipts activities have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are bank statements reconciled to accounting system accounts? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>3.11 Restricted Access to Assets and Records: Only authorized personnel have access to intergovernmental financial assistance records, including standing data and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between those receiving and recording cash receipts? - How are cash receipts protected before they are deposited? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>
<p>Intergovernmental Revenue -- Audit reaction and/or management comments, etc.:</p>		
<p>Assertion(s) weakness(es) affect:</p>		
<p>Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):</p>		
<p>Possible management comments / significant deficiencies/noncompliance, etc. :</p>		

Record of Application Controls (RAC) Charges for Services

Section 4

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref. ¹
<p>4.1 Authorization: Recorded transactions represent actual charges for services provided to customers and relate to the governmental entity and are approved. Receipts represent valid payments by customers for services received. Non-cash credits to accounts receivable represent valid adjustments and are approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - How are billing rates and payment terms approved? - What prevents or detects unauthorized adjustments to accounts receivable? - What prevents or detects unauthorized charges? 		
<p>4.2 Completeness of Input: Authorized transactions, including sales, cash receipts and adjustments to accounts receivable are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all consumption records for utility billings are input for processing? - What assures that sales invoices are generated for all other charges for services? - What assures that all cash receipts and adjustments to accounts receivable are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>4.3 Accuracy of Input: Charges for services transactions, including sales, cash receipts and adjustments to accounts receivable are accurately recorded as to amounts, quantities/consumption, dates and customers.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures the price and quantity/consumption used to compute the charge for service is correct? - What assures that the amount of cash receipts and adjustments to accounts receivable are accurately recorded? - How are unusual patterns of use identified and investigated? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>

1 If we test application controls, cross reference to application control tests.

2 Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Charges for Services**

Part A: Transaction Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
4.4 Cutoff of Transactions - What assures that all activity is posted in the proper period (e.g. charges for services, cash receipts and adjustments to accounts receivable)?	The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2
4.5 Transaction Classification What assures that cash receipts relate to charges for services? (In other words, how does the entity assure that charges for services receipts are coded to the proper account classification)?	The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6
4.6 Transaction Occurrence - What assures that the cash receipts recorded occurred and not fictitious? - What prevents duplicate charges for services?	The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1
Part B: Cycle Level Controls		
4.7 Existence What assures that the account balances exist as of the financial statement date?	The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records. The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10
4.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input. <i>Consider, for example, the following points of focus:</i> - How are changes to standing customer information, account codes and credit limits approved? - How are changes to rates approved? - What assures that changes to standing data are accurately input?	Access to UAN can be restricted to users to viewing, activating, or deactivating funds and account codes.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5
4.9 Completeness and Accuracy of Updating: Charges for services transactions and cash receipts input are accurately updated to the revenue, accounts receivable and cash receipts databases. <i>Consider, for example, the following points of focus:</i> - What assures that the total charges for services input is equal to the total amount updated to the revenue and accounts receivable databases? - What assures that the total cash receipts input is equal to the amounts updated to the accounts receivable and cash receipts databases? (Note: If the charges for services billing system is online with the "general	The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9

**Record of Application Controls (RAC)
Charges for Services**

<p>ledger”, then the control is normally a programmed procedure.)</p> <ul style="list-style-type: none">- What prevents or detects incorrect entries to customer accounts? <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>		
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**Record of Application Controls (RAC)
Charges for Services**

Part B: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>4.10 Completeness and Accuracy of Accumulated Data: The integrity of individual accounts receivable in the subsidiary ledger and the accounts receivable and cash accounts in the accounting system, after charges for services transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the general ledger reconciled to the accounts receivable subsidiary ledger? (Note: This may be an online programmed procedure.) - How are bank statements reconciled to accounting system accounts? - How are disputed amounts resolved? - What assures adjustments for bad debt write-offs (net of any deposits applied) are recorded? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>4.11 Restricted Access to Assets and Records: Only authorized personnel have access to accounts receivable and cash receipts records (including standing data) and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between cash receipts processing and posting to the accounts receivable (and deposits, if applicable) subsidiary records? - Is there adequate segregation of duties between those receiving and recording cash receipts? - How are cash receipts protected before they are deposited? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>

**Record of Application Controls (RAC)
Charges for Services**

Charges for Services -- Audit reaction and/or management comments, etc.:
Assertion(s) weakness(es) affect:
Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):
Possible management comments / significant deficiencies/noncompliance, etc. :

**Record of Application Controls (RAC)
Investment Income**

Section 5

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>5.1 Authorization: Recorded investment transactions represent actual events that occurred and relate to the governmental entity and are approved. Income is valid and appropriate for application to specified investments. Non-cash adjustments are valid and approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - What assures that only investments that are permitted under the governmental entity's investment policy and/or applicable laws are acquired? - How are purchases and sales of investments authorized? - How are non-cash adjustments to investment account balances approved? 		
<p>5.2 Completeness of Input: Authorized investment-related transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all purchases of investments are input and accepted for processing? - What assures that all cash receipts from investment activities (e.g., sales, maturities, investment earnings, etc.) are input for processing? - What assures that all non-cash adjustments (e.g. amortization/accretion of premiums/discounts, and realized and unrealized gains & losses, if applicable considering the accounting principles used) are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>

¹ If we test application controls, cross reference to application control tests.

² Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Investment Income**

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>5.3 Accuracy of Input: Investment related transactions are accurately recorded as to amounts, dates and securities, and are recorded in the proper period.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures the amount of cash receipts from investing activities are accurately recorded, and properly allocated among sales, maturities, investment income, etc.? - What assures that all investment activities are recorded in the proper period? - What assures that non-cash adjustments are accurately computed? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>5.4 Cutoff of Transactions What assures that investment earnings are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>5.5 Transaction Classification What assures that cash receipts relate to investment earnings collections? (In other words, how does the entity assure that investment earnings are coded to the proper account classification)?</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>5.6 Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the investment earnings recorded occurred and not fictitious? - What prevents duplicate investment earnings being posted? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Cycle Level Controls		
<p>5.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>5.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing investments information (including interest rates, maturity dates, etc.) approved? 	<p>Access to UAN can be restricted the users to viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>

**Record of Application Controls (RAC)
Investment Income**

<ul style="list-style-type: none"> - What assures that changes to standing data are accurately input? 		
Part B: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>5.9 Completeness and Accuracy of Updating: Investment related transactions input are accurately updated to the investment and cash receipts databases.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total cash receipts input is equal to the amounts updated to the investment and cash receipts databases? - What prevents or detects incorrect entries to individual investment accounts? <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>
<p>5.10 Completeness and Accuracy of Accumulated Data: The integrity of individual investments accounts in the investment database, and the investment and cash accounts in the accounting system, after investment transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are bank statements reconciled to accounting system accounts? - How is the general ledger reconciled to subsidiary investment records/ledgers? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

**Record of Application Controls (RAC)
Investment Income**

Part B: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>5.11 Restricted Access to Assets and Records: Only authorized personnel have access to investments and investment related transaction records, including standing data and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between cash receipts processing and posting to the investment database? - Is there adequate segregation of duties between those receiving and recording cash receipts? - How are cash receipts protected before they are deposited? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>
Investment Income -- Audit reaction and/or management comments, etc.:		
Assertion(s) weakness(es) affect:		
<p>Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):</p>		
Possible management comments / significant deficiencies/noncompliance, etc. :		

**Record of Application Controls (RAC)
Other Governmental Revenues
(e.g. Fines, Licenses, Permits, and Other Similar Fees)**

Section 6

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>6.1 Authorization: Recorded fee generating transactions represent valid fees received at rates established by the entity's governing body and are approved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are fee rates determined/authorized? - How are adjustments to accounts receivable approved? - What prevents or detects unauthorized adjustments to accounts receivable? - What prevents or detects unauthorized charges? - How are noncash items controlled (e.g., non-cash credits in a court for community service, time served or court order)? 		
<p>6.2 Completeness of Input: Authorized fee generating transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all fee generating transactions are input and accepted for processing? - What assures that sales invoices are generated for all other fee activities? - What assures that all cash receipts and adjustments to accounts receivable are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>6.3 Accuracy of Input: Fee generating transactions are accurately recorded as to amounts, type of fee, date and payor, and are recorded in the proper period.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the type and amount of fees recorded are correct? - What assures that the amount of cash receipts and adjustments to accounts receivable are accurately recorded? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>

1 If we test application controls, cross reference to application control tests.

2 Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Other Governmental Revenues
(e.g. Fines, Licenses, Permits, and Other Similar Fees)**

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>6.4 Cutoff of Transactions What assures that other governmental receipts are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>6.5 Transaction Classification What assures that cash receipts relate to other governmental receipts? (In other words, how does the entity assure that other governmental receipts are coded to the proper account classification)?</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>6.6 Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the cash receipts recorded occurred and not fictitious? - What prevents duplicate other governmental receipts? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Cycle Level Controls		
<p>6.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>6.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing data files and account codes approved? - How are changes to fee prices approved? - What assures that changes to standing data are accurately input? 	<p>Access to UAN can be restricted to users to viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>6.9 Completeness and Accuracy of Updating: Fee generating transactions and cash receipts are accurately updated to the data files.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total cash receipts input is equal to the amounts updated to the accounts receivable and cash receipts databases? - What prevents or detects incorrect entries to customer accounts? 	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>

**Record of Application Controls (RAC)
Other Governmental Revenues
(e.g. Fines, Licenses, Permits, and Other Similar Fees)**

<p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>		
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Part B: Cycle Level Controls (Continued)

Control Objective	What control procedures address the control objective?	W/P Ref.
<p>6.10 Completeness and Accuracy of Accumulated Data: The integrity of cash accounts in the accounting system, after cash receipt transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are bank statements reconciled to the accounting records? - How is the general ledger reconciled to the accounts receivable subsidiary ledger? - How are disputed amounts resolved? - What assures adjustments for bad debt write-offs (net of any deposits applied) are recorded? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

Part B: Cycle Level Controls

Control Objective	What control procedures address the control objective?	W/P Ref.
<p>6.11 Restricted Access to Assets and Records: Only authorized personnel have access to fee generating transactions, including standing data and cash receipts.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between cash receipts processing and posting to the accounts receivable (and deposits, if applicable) subsidiary records? - Is there adequate segregation of duties between those receiving and recording cash receipts? - How are cash receipts protected before they are deposited? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>

**Record of Application Controls (RAC)
Other Governmental Revenues
(e.g. Fines, Licenses, Permits, and Other Similar Fees)**

<p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>		
Other Governmental Revenue -- Audit reaction and/or management comments, etc.:		
Assertion(s) weakness(es) affect:		
<p>Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):</p>		
Possible management comments / significant deficiencies/noncompliance, etc. :		

Record of Application Controls (RAC) Budgetary Cycle

Section 7

Part A: Transaction Level Controls - Budgetary Data		
Control Objective	What control procedures address the control objective?	W/P Ref. ¹
<p>7.1 Authorization: Recorded budgetary data represents budget amounts established by the entity's governing body and are approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - How is the original budget approved? - How are adjustments to budgetary data approved? - What prevents or detects unauthorized adjustments to budgetary account balances? 		
<p>7.2 Completeness of Input: Authorized budget transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the initial budget amount for each fund and account legally budgeted is input for processing? - What assures that all authorized budget amendments are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>7.3 Accuracy of Input: Budgetary transactions are accurately recorded as to amounts and dates.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures the initial budget input into the accounting system agrees with the budget as originally adopted by the entity's governing body? - What assures that budget amendments are made at the correct amount? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>7.4 Cutoff</p> <p>What assures that budgetary amendments are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>

1 If we test application controls, cross reference to application control tests.

2 Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Budgetary Cycle**

<p>7.5 Transaction Classification What assures that budgetary amounts are made to the correct accounts? (In other words, how does the entity assure that initial budget and any amendments are coded to the proper account classification)?</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>Part A: Transaction Level Controls - Budgetary Data (Continued)</p>		
<p>Control Objective</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>7.6 Transaction Occurrence - What assures that the budgetary amounts recorded occurred and not fictitious? - What prevents duplicate budgetary amounts?</p>	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>Part B: Cycle Level Controls</p>		
<p>7.7 Existence What assures that the budgetary account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records. The UAN application periodically foots account balances and will provide evidence of out of balance accounts upon entering the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
<p>7.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input. <i>Consider, for example, the following points of focus:</i> - How are changes to budget account codes approved? - What assures that changes to standing data are accurately input?</p>	<p>UAN makes all accounting system master file changes and restricts the users to viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>7.9 Completeness and Accuracy of Updating: Budget amounts are accurately updated to the accounting system. <i>Consider, for example, the following points of focus:</i> - What assures that the total expenditures and encumbrances do not exceed budget amounts? IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>
<p>7.10 Completeness and Accuracy of Accumulated Data: The integrity of the accounting system file, after</p>	<p>The accounting system has several month and year-end reports available to the users to</p>	<p>Refer to Schneider Downs Agreed-</p>

Record of Application Controls (RAC) Budgetary Cycle

<p>budget activity has been accumulated in it, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the general ledger reconciled to the budget subsidiary ledgers? <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>
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Part B: Cycle Level Controls (Continued)

Control Objective	What control procedures address the control objective?	W/P Ref.
<p>7.11 Restricted Access to Assets and Records: Only authorized personnel have access to budget records.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - Is there adequate segregation of duties between the initiating of purchasing goods and services, coding of transactions to accounting system accounts, and maintaining the budget records? - How is access to the accounting system and budget file restricted? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>

Budgetary Cycle -- Audit reaction and/or management comments, etc.:

Assertion(s) weakness(es) affect:

Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):

**Record of Application Controls (RAC)
Budgetary Cycle**

Possible management comments / significant deficiencies/noncompliance, etc. :

**Record of Application Controls (RAC)
Purchasing Cycle and Encumbrances
(Including Operating, Capital and Professional Service Expenditures)**

Section 8

Part A: Transaction Level Controls - Acquisition of Goods and Services		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>8.1a Authorization: Recorded purchase transactions represent actual receipts of goods or services and are approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - How are competitive bids requested for capital and professional services expenditures? - What factors are considered in selecting a bid? - How is it determined that the purchase of specified items were considered in the current year budget and that cost of purchase does not exceed budget? - How are general purchase transactions approved? - What assures that what was received was ordered, or that the services have been performed? - What assures that restricted funds received (e.g. grants) are spent in accordance with legal requirements and spending restrictions? 		
<p>8.2a Completeness of Input: Purchase transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all purchase orders, contracts, or receiving reports are input for processing? - What assures that all invoices received are input for processing? - How are mismatched or long outstanding open purchase orders, contracts or receiving reports investigated and resolved? - What assures that routine services (e.g., utilities) are recorded? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>

1 If we test application controls, cross reference to application control tests.

2 Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Purchasing Cycle and Encumbrances
(Including Operating, Capital and Professional Service Expenditures)**

Part A: Transaction Level Controls - Acquisition of Goods and Services (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.3a Accuracy of Input: Purchase transactions are accurately recorded as to amounts, quantities, dates, vendors, and accounting system account.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the invoices represent the goods or services received and are in compliance with contracts (e.g., progress bills)? - What prevents or detects incorrect entry of price, quantity, amounts, vendor or account numbers? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>8.4a Cutoff of Transactions What assures that purchase transactions are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>8.5a Transaction Classification</p> <ul style="list-style-type: none"> - What assures that purchase transactions relate to the account posted? (In other words, how does the entity assure that purchase transactions are coded to the proper account classification)? - What assures capital asset purchases (including construction in process payments) are recorded in the appropriate opinion unit (i.e., governmental-type activities or business-type activities)? 	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>8.6a Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the purchase transactions recorded occurred and not fictitious? - What prevents duplicate purchase transactions? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Transaction Level Controls - Payments made for Goods and Services		
<p>8.1b Authorization: Recorded cash disbursements are for actual purchases of goods or services and are approved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that payments made are for goods or services actually ordered or rendered and received, and, if applicable, are in compliance with contract terms (e.g., progress payments)? - How are cash payments approved? - How are urgent payment requests approved? - What prevents duplicate payments? - How does the government assure that interfund transfers are allowable/legal? 		

**Record of Application Controls (RAC)
Purchasing Cycle and Encumbrances
(Including Operating, Capital and Professional Service Expenditures)**

Part B: Transaction Level Controls - Payments made for Goods and Services		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.2b Completeness of Input: Cash disbursements are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all disbursements are input for processing? - What assures that missing, duplicate, or long outstanding checks are investigated? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>8.3b Accuracy of Input: Cash disbursements are accurately recorded as to amounts, dates and payees.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the disbursement is for the correct invoice and to the correct payee? - What assures that the disbursement has been input at the correct amount? - How does the government assure that all interfund "transfers out" are offset with an equivalent "transfer in"? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>8.4b Cutoff of Transactions What assures that the purchase transactions for goods and services are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>8.5b Transaction Classification</p> <ul style="list-style-type: none"> - What assures that purchase transactions relate to the account posted? (In other words, how does the entity assure that purchase transactions for goods and services are coded to the proper account classification)? 	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>8.6b Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the disbursements recorded occurred and not fictitious? - What prevents duplicate disbursements? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part C: Transaction Level Controls - Noncash Reductions of Accounts Payable (NOTE: Part C is n/a unless accounts payable is a systems-derived account.)		
<p>8.1c Authorization: Noncash reductions of accounts payable represent valid adjustments and are approved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are returns, allowances, or other adjustments authorized? 		

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<ul style="list-style-type: none"> - What prevents or detects unauthorized adjustments to accounts payable? 		
<p>Part C: Transaction Level Controls - Noncash Reductions of Accounts Payable (Continued) (NOTE: Part C is n/a unless accounts payable is a systems-derived account.)</p>		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.2c Completeness of Input: Authorized adjustments to accounts payable are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all authorized adjustments are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>8.3c Accuracy of Input: Adjustments to accounts payable are accurately recorded.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the amount of the adjustment is correct? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>8.4c Cutoff of Transactions What assures that the adjustments are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>8.5c Transaction Classification</p> <ul style="list-style-type: none"> - What assures that adjustments relate to the vendor account posted? (In other words, how does the entity assure that adjustments are coded to the proper account classification)? 	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>8.6c Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the adjustment recorded occurred and not fictitious? - What prevents duplicate adjustments? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>Part D: Transaction Level Controls – Encumbrances</p>		
<p>8.1d Authorization: Recorded encumbrances represent valid formal commitments for goods or services not yet received and are approved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are recorded encumbrances approved? - What prevents or detects unauthorized adjustments to recorded encumbrances? 		

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<ul style="list-style-type: none"> - How are lapsed or carryover encumbrances approved? 		
Part D: Transaction Level Controls – Encumbrances (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.2d Completeness of Input: Authorized encumbrance transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all formal commitments (usually contracts or purchase orders) to acquire goods or services not yet received are input for processing? - How are mismatched or long-outstanding encumbrances identified and investigated? - How are carryover encumbrances input for processing? (Note: This may be an online update/programmed procedure in many systems.) 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
<p>8.3d Accuracy of Input: Encumbrance transactions are accurately recorded as to amounts and dates.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What prevents or detects incorrect entry of amount, date and purchase order? - What prevents or detects incorrect entry of carryover encumbrances? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>8.4d Cutoff of Transactions What assures that the encumbrances are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>8.5d Transaction Classification</p> <ul style="list-style-type: none"> - What assures that encumbrances relate to the account posted? (In other words, how does the entity assure that encumbrances are coded to the proper account classification)? 	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>8.6d Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the encumbrances recorded occurred and not fictitious? - What prevents duplicate encumbrances? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part E: Cycle Level Controls		
<p>8.1e Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

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	account balances and will provide evidence of out of balance accounts upon entering the UAN application.	
<p>8.2e Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing vendor information approved? - What assures that all changes to standing data are accurately input? 	Access to UAN can be restricted to users to viewing, activating, or deactivating funds and account codes.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5
Part E: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.3e Completeness and Accuracy of Updating: Purchase transactions and cash disbursements input are accurately updated to the general ledger and accounts payable database.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total purchases input is equal to the amounts updated to the accounts payable database and general ledger accounts? (Note: Updates to A/P database only apply to systems-derived A/P.) - What prevents or detects entries to incorrect vendor accounts? - What assures that the total disbursements input is equal to the amounts updated to cash accounts and the accounts payable database? (Note: Updates to A/P only apply to systems-derived A/P). - What assures that disbursements are applied to the proper vendor? <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6
<p>8.4e Completeness and Accuracy of Accumulated Data: The integrity of individual accounts payable in the subsidiary ledger and the accounting system, after purchase transactions, cash disbursements, and adjustments have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the general ledger reconciled to the accounts payable subsidiary ledger? (Note: This only applies to systems-derived A/P.) - What assures that credits for returned goods, allowances, and other adjustments are recorded? - How are bank statements reconciled to the accounting system cash accounts? (Note that if bank 	The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9

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<p>reconciliations have been covered in the revenue cycle, they need not be addressed here.) [Note: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>		
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Part E: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.5e Completeness and Accuracy of Updating: Encumbrance transactions are accurately updated to the accounting system.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that encumbrances are properly reversed upon receipt of goods or services and recorded as accounts payable? - What assures that the total purchase order and accounts payable input are equal to the amounts updated in the encumbrance data files and accounting system accounts? (Note: This may be a programmed procedure in many systems.) <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>
<p>8.6e Completeness and Accuracy of Accumulated Data: The integrity of the accounting system file, after encumbrance transactions have been accumulated in it, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the general ledger reconciled to the accounts payable and outstanding encumbrance subsidiary ledgers? (Reconciliation to A/P only applies to systems-derived A/P.) <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application automatically foots all account balances upon entering and exiting the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

**Record of Application Controls (RAC)
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Part E: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>8.7e Restricted Access to Assets and Records: Only authorized personnel have access to accounts payable records, including standing data, cash accounts, and unissued checks.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is access to the manual accounts payable records restricted? - Is there adequate segregation of duties between purchasing goods and services and maintaining the accounts payable records? - How is access to unissued checks and check signing machines restricted? - Is there segregation of duties between cash disbursements processing and recording of accounts payable? - How are electronic funds transfers controlled? <p>[Note: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>
<p>Purchasing Cycle -- Audit reaction and/or management comments, etc.:</p>		
<p>Assertion(s) weakness(es) affect:</p>		
<p>Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):</p>		
<p>Possible management comments / significant deficiencies/noncompliance, etc. :</p>		

Record of Application Controls (RAC) Payroll Cycle

Section 9

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref. ¹
<p>9.1 Authorization: Recorded payroll transactions are for performance of services and are approved.</p> <p><i>Consider, for example, the following points of focus:²</i></p> <ul style="list-style-type: none"> - How is evidence of performance of services obtained and approved? - How are manual payroll check requests approved? - How is the allocation of payroll by account, department, function and/or program and fund approved? 		
<p>9.2 Completeness of Input: Payroll transactions are input and accepted for processing.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all employees' services are input for processing? - What assures that manual payroll checks written between pay dates are recorded? 	Data validation procedures are in place to help ensure required data fields are completed before the data is accepted for processing.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #1
<p>9.3 Accuracy of Input: Payroll transactions are accurately recorded.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What prevents or detects errors in the input of relevant payroll data (e.g., hours, pay rates, withholding rates, deductions, vacation accrual rates, etc.)? 	The payroll system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #2, #3
<p>9.4 Cutoff of Transactions: What assures that employee services are recorded in the proper period?</p>	The payroll system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.	Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #3

¹ If we test application controls, cross reference to application control tests.

² Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: The only effective way to determine the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

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Payroll Cycle**

<p>9.5 Transaction Classification: What assures that an employee's payroll relate to the employee's position and duties performed? (In other words, how does the entity assure that intergovernmental receipts are coded to the proper account, department function and/or program and fund)?</p>	<p>The payroll system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #6, #9</p>
<p>Part A: Transaction Level Controls (Continued)</p>		
<p>Control Objective</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>9.6 Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the payroll transactions recorded occurred and not fictitious? - What prevents duplicate payroll transactions? 	<p>Data validation procedures are in place to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #1, #2</p>
<p>Part B: Cycle Level Controls</p>		
<p>9.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The payroll system produces several system reports to provide the user the ability to verify monthly data entry and ensure the accuracy of fund balances.</p> <p>Several year-end reports are generated by the UAN system and are available to users to visually scan for accuracy or verify to manual records.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #2, #3, #5, #6, #7, #8, #9, #10</p>
<p>9.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing payroll data approved? - How is new employee standing data approved? - What assures that all changes to standing data are accurately input? 	<p>UAN restrict users to displaying, activating, deactivating, and removing specific standing data fields.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #2, #3, #5, #6, #7, #8, #9, #10</p>
<p>9.9 Completeness and Accuracy of Updating: All payroll transactions input are accurately updated to the accounting system and payroll database.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total payroll expenditures are equal to the amounts updated to the accounting system and the payroll database? (Note: This may be an online programmed procedure in many systems.) <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control</p>	<p>The UAN application automatically assigns Information Identification Codes and Withholding ID's and updates "general ledger" accounts from entries entered into the payroll system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #2, #3, #5, #6, #7, #8, #9, #10</p>

**Record of Application Controls (RAC)
Payroll Cycle**

<p>objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>		
<p>Part B: Cycle Level Controls (Continued)</p>		
<p>Control Objective</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>9.10 Completeness and Accuracy of Accumulated Data: The integrity of the payroll records in the payroll database and accounting system accounts, after payroll transactions have been accumulated in them, is preserved.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the general ledger reconciled to the payroll registers? (Note: This may be an online programmed procedure in many systems.) <p>[Note: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The payroll system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Payroll Procedures #2, #3, #5, #6, #7, #8, #9, #10</p>
<p>9.11 Restricted Access to Assets and Records: Only authorized personnel have access to personnel/payroll records, including standing data.</p> <p><i>Consider, for example, the following points of focus:</i></p> <ul style="list-style-type: none"> - How is access to the personnel and payroll records restricted? - Is there adequate segregation between payroll processing and the approval of new employees and time records? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>

**Record of Application Controls (RAC)
Payroll Cycle**

Payroll -- Audit reaction and/or management comments:
Assertion(s) weakness(es) affect:
Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):
Possible management comments / significant deficiencies/noncompliance, etc. :

**Record of Application Controls (RAC)
Self Insurance Claims Payments**

Note: This RAC section only applies to self-insured governments.

Section 10

AOSAM 30500 Appendix A ¶ 2 describes self-insurance TPAs as service organizations for which we often require a SAS 70 or similar report. You should consider this guidance in assessing and documenting CR for self-insurance payments in this document and elsewhere. Remember the TPA may apply controls addressing certain points of focus while the government may apply other controls to the same or different points of focus listed below.

Part A: Transaction Level Controls		
Control Objective	What control procedures address the control objective?	W/P Ref.¹
<p>10.1 Authorization: Recorded payments represent actual receipts of claim forms / invoices and are approved in compliance with the contract policy.</p> <p><i>Consider the following points of focus.²</i></p> <ul style="list-style-type: none"> - What assures that services billed have actually been performed? - How are payments of claims authorized? - How does the entity assure that payments are made only for on behalf of persons (employees, dependents) covered by the plan? - What assures that claims are paid only for claims covered under the contract policy? - What assures that eligible claims are approved for amounts within policy limits? - What prevents a claim from being paid twice? Or, being paid to an unapproved provider? - How are adjustments to claims approved? 		
<p>10.2 Completeness of Input: All claims should be input and accepted for processing.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that all claims are input for processing? - What prevents duplicate claims from being accepted for payment? - How does the entity assure that all adjustments to claims or payments are input for processing? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>

¹ If we test application controls, cross reference to application control tests.

² Throughout the RAC, we should document (and test, if relying thereon) an application control for each point of focus (POF), unless failing to have an application control for a particular POF would not likely result in a deficiency. One application control may address more than one POF, and you need not list a control more than once for each control objective. Additional POFs may be added if considered applicable.

Note: Determining the effective operation of some application controls requires reperforming the control (which is also often a substantive test). This involves reperforming / recomputing a control procedure an auditee employee or computer performs. Limited reperformance is required when the control requires relatively complex steps. See AOSAM 30500 *Testing Controls' Operating Effectiveness* section.

**Record of Application Controls (RAC)
Self Insurance Claims Payments**

Note: This RAC section only applies to self-insured governments.

Part A: Transaction Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>10.3 Accuracy of Input: Claims are accurately recorded as to the claim number, employee ID (social security number or other identifier), the amount of the claim, the service provided, the date of the claim, and the provider.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - What prevents or detects incorrect entry of claim number, social security number, provider, amount, and date of service? - What assures the amount of the claim input into the system agrees to the actual claim submitted for payment? - What assures that the description of the claim (e.g., the medical service provided) is accurate? - What assures that disbursements are made for the correct amount and to the proper provider? - What assures that deductibles are accurately deducted, and that total payments do not exceed stop-loss or aggregate claim limits? - What assures that adjustments to claims or payments are made for the proper amount and to the proper account (claimant and provider)? 	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p> <p>Sequential numbers are assigned to each respective payment, purchase order and receipt.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2, #7</p>
<p>10.4 Cutoff of Transactions What assures that claims are recorded in the proper period?</p>	<p>The accounting system has data validation programs that perform various edit checks on the data entered by the user to help ensure only accurate information is entered into the system.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #2</p>
<p>10.5 Transaction Classification What assures that claims relate to and are coded to the proper account classification?</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedure #6</p>
<p>10.6 Transaction Occurrence</p> <ul style="list-style-type: none"> - What assures that the claims recorded occurred and are not fictitious? - What prevents duplicate claims? 	<p>The accounting system data validation programs are used to help ensure required data fields are completed before the data is accepted for processing.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #1</p>
Part B: Cycle Level Controls		
<p>10.7 Existence What assures that the account balances exist as of the financial statement date?</p>	<p>The accounting system has several year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application automatically foots all account balances upon entering and exiting the UAN application.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #8, #9 and #10</p>

**Record of Application Controls (RAC)
Self Insurance Claims Payments**

Note: This RAC section only applies to self-insured governments.

<p>10.8 Integrity of Standing Data: Changes to standing data are authorized and accurately input.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - How are changes to standing data files approved? (Such as covered employees/dependents, covered providers, coverage limitations, deductibles, etc.) - What assures that changes to standing data are accurately input? 	<p>Access to UAN can be restricted to users to viewing, activating, or deactivating funds and account codes.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #4 and #5</p>
<p>Part B: Cycle Level Controls (Continued)</p>		
<p>Control Objective</p>	<p>What control procedures address the control objective?</p>	<p>W/P Ref.</p>
<p>10.9 Completeness and Accuracy of Updating: Claims paid are accurately updated to the claims system and to the cash disbursement records.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - What assures that the total claims input for payment is equal to the amounts updated to the cash disbursement journal? - What assures that payments are applied to the proper provider and for appropriate amounts? <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system produces several system reports to provide the user the ability to verify monthly data entry and to help ensure the accuracy of fund balances.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #6, #8 and #9</p>
<p>10.10 Completeness and Accuracy of Accumulated Data: The integrity of the data maintained in the claims processing system as well as the cash disbursement records should be preserved.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - How is the claim processing system reconciled to the cash disbursement records? - What assures that adjustments to individual providers, e.g. overpayments, are recorded? - How are bank statements reconciled to the cash disbursement records (i.e., check register and claims system and fund accounting transaction records?) <p>[NOTE: File corruption is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards meeting these objectives for automated systems. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, in addition to other application controls, cross reference this to the related RCEC general control assessment.</p>	<p>The accounting system has several month and year-end reports available to the users to visually scan for accuracy or to verify to manual records.</p> <p>The UAN application periodically foots all account balances and will provide evidence of out of balance accounts.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report UAN Accounting Procedures #3, #6, #8, #9 and #10</p>

**Record of Application Controls (RAC)
Self Insurance Claims Payments**

Note: This RAC section only applies to self-insured governments.

Part B: Cycle Level Controls (Continued)		
Control Objective	What control procedures address the control objective?	W/P Ref.
<p>10.11 Restricted Access to Assets and Records: Only authorized personnel have access to claims processing system, (including standing data), claims filed but not yet paid, and unissued checks.</p> <p><i>Consider the following points of focus:</i></p> <ul style="list-style-type: none"> - How is access to the claims reports restricted? - Is there adequate segregation of duties between the receipt of the claims, processing of the claims and the approval and payment of the claims? - Is access to the computer system, programs, unissued checks and data restricted? - Are all users with access to the claims processing system required to have a password? Are the users required to periodically change their password? - How is access to unused checks and check signing machines restricted? <p>[NOTE: Access to computer records is normally covered in the Record of Computer Environment and Controls (RCEC).]</p> <p>IMPORTANT: Effective general IT controls are critical towards restricting access to automated records. Determining that general controls were implemented (documented in the RCEC) help meet these control objectives. Therefore, cross reference this to the related RCEC general control assessment, in addition to other controls relating to restricting access to records.</p> <p>Restricting access to assets requires controls in addition to general IT controls.</p>	<p>Access to the UAN system is controlled with a system password and user roles which restrict access to the applications within the UAN system.</p> <p>Access to all UAN data tables that contain sensitive data is restricted to authorized users.</p>	<p>Refer to Schneider Downs Agreed-Upon Procedures Report Restricted Access to the UAN system and Personal Information Procedures #1 - #8</p>
Risk Management - Audit reaction and/or management comments:		
Assertion(s) weakness(es) affect:		
<p>Revision to audit procedures or strategy, or explanation of why planned procedures are still sufficient. If our reaction is that we cannot rely on controls for one or more objectives, we must document here why substantive tests alone provide sufficient evidence relating to that objective(s):</p>		
Possible management comments / significant deficiencies/noncompliance, etc. :		

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User control considerations relate to the Audit Advisory Memo for the Uniform Accounting Network (UAN) covering the period from January 1, 2013 through December 31, 2013.

Computer Controls	
Uniform Accounting Network (UAN)	
<p>Changes to Applications</p> <p>RCEC 4.2 Control Objective</p>	<p>Member entities should establish procedures to implement the newest releases when they become available from UAN.</p> <p><i>Note: Verify the entity has installed and is utilizing the latest version on the UAN software. Version 2014.1 was released and distributed to members: 12/24/13</i></p> <p>Member entities should have procedures in place to ensure the terms of their agreement with the UAN are complied with as follows:</p> <ul style="list-style-type: none"> • Be responsible for the cost of repairing or replacing any hardware that is damaged or lost due to an event outside the normal operating conditions of the equipment. • Users are required to obtain insurance covering the UAN equipment. • Keep all hardware provided by the AOS in a safe, hazard-free environment and allow access to the equipment by AOS personnel or its authorized agents during normal business hours upon reasonable notification. • Utilize the hardware and software provided by the AOS only for the purposes of serving the member entity. • Will not attempt to modify, re-compile, disassemble or install on another company system any of the software provided by the AOS. In addition, only an archival copy of the software provided by the AOS will be made. <p><i>Note: Verify the entity's agreement with UAN was paid in full for the audit period. Ensure the above mentioned terms of the agreement are understood and followed by the entity.</i></p>

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<p>Computer Security</p> <p>RCEC 4.3 Control Objective</p>	<p>The Member entities should establish a UAN password to restrict access to authorized user(s) of UAN.</p> <p><i>Note: Through observation and/or inquiry ensure a password is required to gain access to UAN. Determine who has knowledge of the UAN password and ensure that UAN access is authorized.</i></p> <hr/> <p>The Member entities should establish an appropriate level of separation of duties between authorization and initiation of transactions, data entry, output control, data reconciliations, and custody of assets.</p> <p><i>Note: For an entity with multiple system users, determine the number of personnel having access to the computer system and their job functions. Ensure that system access and/or duties are consistent with the job functions as established by the Board of Trustees.</i></p> <hr/> <p>Member entities should locate the UAN's computer in a physically secure location where only authorized personnel have access.</p> <p><i>Note: Through observation and/or inquiry, determine the physical location of the UAN equipment. Is all equipment secured in a locked environment when unattended?</i></p>	
<p>Computer Operations</p> <p>RCEC 4.4 Control Objective</p>	<p>Member entities should store copies of their day-to-day backups in a secure off-site storage location. Suggested locations could be a bank safety deposit box or the entity could obtain a reciprocal agreement with another entity, wherein each entity stores their backup tapes at a secure location at the other entity's site.</p> <p><i>Note: Through observation and/or inquiry determine where the entity stores their backups. All backups should be locked in a secure location that protects the tapes from physical and environmental damage. Verify that the tapes are stored in a secure, off-site location. The off-site location should be a sufficient distance from the computer system to ensure physical and environmental safety of the backups during a disaster.</i></p>	

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Application Controls		
Uniform Accounting Network (UAN)		
Authorization of Input RAC – 1st Control Objective of each cycle	Member entities should help ensure all accounting and payroll information entered into the UAN software represents valid data approved by the entity’s management. <i>Note: Verify that source documentation is available for all transactions entered and appropriate management approvals can be tied to all data input.</i>	
Completeness of Input RAC – 2 nd Control Objective of each cycle	Member Entities should enter transaction information on a timely basis as the transactions occur. All warrants, receipts, purchase orders, etc., should be issued through the UAN system and not recorded manually. <i>Note: Verify that transactions are entered as they occur during the accounting period by comparing funds on warrants to funds actually entered into the system. Compare the “print” on warrants to the “print” on reports generated by the UAN system. Is the “print” from a typewriter or a computer printer? Review the Transaction Log and compare the transaction dates to the date the information was entered into the system. For example, a transaction dated 5/15/10 was entered into the system 7/10/10; multiple transactions such as these on the Transaction Log would suggest that the entity is entering transactions after they occur, and possibly issuing receipts and warrants manually.</i>	
Integrity of Standing Data RAC – 8 th Control Objective of each cycle	Various processing options are available to member entities that control the processing of all transactions (e.g., payroll deductions, maximum number of sick days allowed, accounting module revenue chart of accounts, fund chart of accounts). Member entities should have procedures in place to ensure authorized parameters have been set up properly. <i>Note: Verify that all changes made to the Payroll and Accounting options were approved by the Board of Trustees. Inspect the Board minutes to ensure such changes were properly documented and approved.</i>	

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<p>Completeness and Accuracy of Accumulated Data</p> <p>RAC – 10th Control Objective of each cycle</p>	<p>Member entities should have procedures established to ensure changes to prior year fund balances are properly documented.</p> <p><i>Note: Determine if procedures have been established for such changes. These types of changes may have been approved by the Board of Trustees and can be verified through the Board meeting minutes. A Fund Balance Adjustment report can be generated for use in tracing these changes.</i></p>	
	<p>Member entities should establish procedures for ensuring check registers are reviewed for reasonableness and authorized payees prior to issuance of disbursements.</p> <p><i>Note: Through inquiry, determine if the entity regularly reviews the check register report and reconciles bank accounts in a timely manner.</i></p>	
	<p>Output should be reviewed/balanced on a timely basis to ensure results of processing are accurate.</p> <p><i>Note: Through inquiry, determine the procedures for verifying accumulated account data. Reports similar to those used to verify the Completeness and Accuracy of Updates (see above) may also be used by the entity to verify year-to-date account data. Does the Board review and approve report data on a regular basis? Is this review found in the Board meeting minutes?</i></p>	
	<p>Member entities should review the warrant register generated by the system to monitor checks printed, voided and still on hand.</p> <p><i>Note: Determine if the warrant register is reviewed by the entity and obtain this report for review and verification.</i></p>	
	<p>Procedures should exist for personnel, independent of those who process payroll and accounts payable, to reconcile check usage to check registers, control log, and bank accounts.</p> <p><i>Note: Determine through observation and inquiry that procedures exist to review and reconcile all bank accounts in a timely manner. Does the Board review and approve bank reconciliations on a regular basis? Is this review found in the Board meeting minutes? This review may be documented in Board sign-off of the management summary reports that can be generated from the UAN system.</i></p>	

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<p>Restricted Access to Application Programs and Data</p> <p>RAC – 11th Control Objective of each cycle</p>	<p>Member entities should maintain the UAN's computer in a physically and environmentally secure location.</p> <p><i>Note: Through observation and/or inquiry, determine the physical location of the UAN equipment. Is all equipment secured in a locked environment when unattended? Are there any environmental risks at this location?</i></p> <p>The member entities should establish a UAN password to restrict access to authorized user(s) of UAN.</p> <p><i>Note: Verify that each local entity changed the default system password (established state-wide with the delivery of each new software version) to a unique difficult-to-guess, but easy-to-remember system password.</i></p> <p>Member entities should assign individual user IDs and passwords to each user of the UAN system.</p> <p><i>Note: Verify that unique user IDs and passwords have been assigned to each user of the UAN system.</i></p>
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