

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

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

**QUALITY ASSESSMENT REVIEW**

Local Educational Agency \_\_\_\_\_

County \_\_\_\_\_

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

Date Report Received \_\_\_\_\_

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

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

**Summary of Quality Assessment Review**

In my opinion, the CAFR is:

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

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

**I. Qualifications and Independence of Auditor**

1. Is the audit performed by a certified public accountant? Yes \_\_\_\_\_ No \_\_\_\_\_  
(If the answer is "Yes", mark 2. "No".)
  
2. Is the audit performed by a licensed public accountant? Yes \_\_\_\_\_ No \_\_\_\_\_  
(If the answer is "Yes", contact the State Board of Accountancy at 1-973-504-6380 to ascertain if licensed as both a public accountant and a public school accountant.)

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

**II. Financial Statements**

The format of the CAFR should conform to the publication, Financial Accounting for New Jersey School Districts - The Audit Program (including the "Appendix A" if applicable), and should strictly adhere to the prescribed sectioning of the report and numbering of exhibits as shown on pages **xiii to xv** of The Audit Program or pages 9 to 11 of the "Appendix A" if the district is a district required to use school-based budgeting. If a section or exhibit is not applicable to the school district, the notation "N/A" should be indicated against that item in the Table of Contents. Exhibit numbers for any additional statements required under the circumstances should be assigned using the next available exhibit number within that series of statements/schedules.

- 1. Has the district followed **GASB 34** for the fiscal year ending June 30th? Yes\_\_\_\_ No\_\_\_\_  
If "No", is audit opinion qualified? Yes\_\_\_\_ No\_\_\_\_

- 1a. Is a complete table of contents as reflected in The Audit Program or the "Appendix A" (if appropriate) included? Yes\_\_\_\_ No\_\_\_\_

If "No", describe deficiencies:

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

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

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4. Are all statements and schedules reflected in The Audit Program as applicable below either included in the CAFR or designated "N/A" in the table of contents, pages xiii through xv?  
 Districts required to use school-based budgeting, pages 9 to 11 of "Appendix A"
- Yes\_\_\_ No\_\_\_ N/A\_\_\_  
 Yes\_\_\_ No\_\_\_ N/A\_\_\_
- If answer is "No", list all omitted financial statements not designated as "N/A" in the table of contents. If additional space is needed, attach additional sheets.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
5. Do the fund types used in the financial statements conform to those described in GASB §1300.103?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 6a. Does the information presented in the combining statements in Other Supplementary Information agree to the applicable funds statements or budget to GAAP reconciliation?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 6b. Does the statement of net assets include a balance for capital assets, net of accumulated depreciation?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 6c. Does the statement of net assets include two lines for Noncurrent liabilities – Due within one year and Due in more than one year?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
7. Have the basic financial statements, required supplementary information and other supplementary information been prepared in the format of the CAFR Outline for the GASB 34 Model?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
8. Does the CAFR reflect the proper presentation of fund balance as reserved, designated, and unreserved in the funds statements?
- Yes\_\_\_ No\_\_\_
- (a) Have unspent appropriations/balances from capital outlay spending growth limitation adjustments and additional spending proposals been classified as reserved fund balance - legally restricted appropriations?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (b) Have capital reserve funds been classified as reserved fund balance - capital reserve?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (c) Has unreserved fund balance included in the upcoming year's budget as budgeted fund balance been classified as unreserved-designated for subsequent year's expenditure?
- Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (d) Have amounts calculated (generated in the current year) in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701) been reported as Reserved Fund Balance - Excess Surplus? [Audsum line 10024]
- Yes\_\_\_ No\_\_\_ N/A\_\_\_

- (e) Has excess surplus generated in the prior year been reported as Reserved and Designated for Subsequent Year's Expenditures in the current year? [Audsum line 10025] Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (f) Are the amounts utilized for the excess surplus calculation accurate? (Trace amounts to financial statements- and recalculate. Fund balance should be taken from the Budgetary Comparison Schedule, C-1. Determine that the correct percentage was used.) If not, a note to the auditor must be included in the QAR letter. Yes\_\_\_ No\_\_\_
- (g) Is the amount for Impact Aid Adjustment no more than the amount received for the current year as reported in the schedule of expenditure of federal awards? If no, a note to the auditor must be included in the QAR letter. Yes\_\_\_ No\_\_\_
- (h) If this is a regular school district, was the excess surplus calculation performed using the 2% calculation? (County Vocational districts use 6%) Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (i) Have Adult Ed fund balances been classified as reserved-Adult Ed? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (j) Are reserves related to insurance policies for other than incurred but not reported claims classified as unreserved fund balance? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (k) Are all other reported "reserves" and "designations" appropriate? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (l) Have the appropriate disclosures related to the components of fund balance been made in the notes to the financial statements? Yes\_\_\_ No\_\_\_
9. Are all interfund transfers reflected in the CAFR in accordance with statute and properly reported in accordance with GASB §1800.102-105) Yes\_\_\_ No\_\_\_ N/A\_\_\_
10. Do the Budgetary Comparison Schedules reflect overexpenditures of line accounts in violation of N.J.A.C. 6A:23-2.12? Yes\_\_\_ No\_\_\_  
Is a comment and recommendation regarding overexpenditures included in the Auditor's Management Report? If not, a note to the auditor must be included in the QAR letter. Yes\_\_\_ No\_\_\_ N/A\_\_\_
11. If the district is self-insured for workmen's compensation, have they properly accounted for the activity in accordance with GASB 10 and 30? (Self-insured workmen's compensation plans should be accounted for in either the general fund or an internal service fund when there is no transfer of risk). Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 11a If the district uses the reimbursement method (payment in lieu of contributions) for unemployment compensation, has the information been presented in the fiduciary fund statements? Yes\_\_\_ No\_\_\_ N/A\_\_\_

12. Does the *Statement of Net Assets* report Net Assets in three components - Invested in capital assets, net of related debt; restricted (distinguishing between major categories of restrictions); and unrestricted (GASB 34, ¶477)? If no, answer (a) below.

Yes\_\_\_ No\_\_\_

(a) Does the independent auditor's report contain the associated qualification of opinion?

Yes\_\_\_ No\_\_\_

13. Does the district have an outstanding lease purchase agreement? (Reference Section II-30 in The Audit Program.)

Yes\_\_\_ No\_\_\_

If "Yes", does the audit report comply with Section II-30 on recording a capital lease for the following areas:

(a1) Does the *Statement of Net Assets* present the liabilities that mature within one year separately from the noncurrent liabilities? (GASB §2200.116)

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

(b) Submission of Amortization Schedule, Section I?

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

(c) Include in the Notes to the Financial Statements a reference and general description of the lease purchase agreement including but not limited to:

i. Description? Yes\_\_\_ No\_\_\_ N/A\_\_\_

ii. Five years of projected payments? Yes\_\_\_ No\_\_\_ N/A\_\_\_

iii. Do the notes to the financial statement disclose the future minimum payments for each of the five subsequent years and in five-year increments thereafter for their obligations under capital and noncancelable operating leases? (GASB 38 ¶10)

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

14. Did the district refinance an outstanding lease purchase agreement? (Reference Section II-30 in The Audit Program.)

Yes\_\_\_ No\_\_\_

If "Yes", does the audit report comply with Section II-30 on recording the refinancing of a capital lease for the following areas:

(a) Include in the Notes to the Financial Statements a reference to the savings as a result of the refinancing including but not limited to:

i. The total reduction in payments as a dollar amount as a result of the refinancing? Yes\_\_\_ No\_\_\_ N/A\_\_\_

ii. The net present value cost savings as a dollar amount as a result of the refinancing? Yes\_\_\_ No\_\_\_ N/A\_\_\_

iii. The net present value cost savings as a percentage as a result of the refinancing? Yes\_\_\_ No\_\_\_ N/A\_\_\_

15. Did the district defease a lease purchase agreement during the school year? (Reference Section II-30 in The Audit Program.)

Yes\_\_\_ No\_\_\_

If "Yes", does the audit report comply with Section II-30 on recording the defeasance of a capital lease for the following areas:

(a) Include in the Notes to the Financial Statements a reference to the savings from the defeasance including but not limited to:

- i. The total reduction in payments as a dollar amount as a result of the defeasance? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- ii. The net present value cost savings as a dollar amount as a result of the defeasance? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- iii. The net present value cost savings as a percentage as a result of the defeasance? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 16 Does the *Statement of Net Assets* report the portion of compensated absences which matures within one year separately from the long-term portion? (GASB §2200.116) Yes\_\_\_ No\_\_\_ N/A\_\_\_
17. Do the notes to the financial statements include: (GASB §2300)
- (a) A summary of significant accounting policies that includes:
- i. An identification of the component units combined to form the reporting entity and the key criteria considered? (GASB §2600.119) Yes\_\_\_ No\_\_\_
- ii. The basis of accounting including revenue recognition policies? Yes\_\_\_ No\_\_\_
- (b) Interfund receivables and payables? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (c) Excess of expenditures over appropriations in individual funds? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (d) Deficit fund balances or retained earnings of individual funds? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- i. Is the amount of the deficit due to the last state aid payment stated? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (f) Material violations of finance-related legal and contractual provisions? (GASB §1200.112) Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (g) Do the notes to the financial statements for capital assets and noncurrent liabilities agree to the *Statement of Net Assets*? (GASB §2300.111) Yes\_\_\_ No\_\_\_ N/A\_\_\_

### III. Reporting

18. Does the Independent Auditor's Report contain the following items:
- (a) A title that includes the word independent? Yes\_\_\_ No\_\_\_
- (b) A statement that the financial statements of the governmental activities, the business-type activities, and each major fund, which collectively comprise the district's basic financial statements as listed in the table of contents were audited? Yes\_\_\_ No\_\_\_
- (c) A statement that the financial statements are the responsibility of management and that the auditor's responsibility is to express opinions on these financial statements based on his audit? Yes\_\_\_ No\_\_\_
- (d) A statement that the audit was conducted in accordance with generally accepted auditing standards (GAGAS), *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey? Yes\_\_\_ No\_\_\_

- (e) A statement that generally accepted auditing standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement? Yes\_\_\_ No\_\_\_
- (f) A statement that the audit includes:
- i. Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements? Yes\_\_\_ No\_\_\_
  - ii. Assessing the accounting principles used and significant estimates made by management? Yes\_\_\_ No\_\_\_
  - iii. Evaluating the overall financial statement presentations? Yes\_\_\_ No\_\_\_
- (g) A statement that the auditor believes that his audit provides a reasonable basis for his opinion? Yes\_\_\_ No\_\_\_
- (h) An opinion as to whether the financial statements present fairly, in all material respects the respective financial position of the governmental activities, the business-type activities, and each major fund as of the balance sheet date and the respective changes in financial position and cash flows, where applicable, for the period then ended in conformity with accounting principles generally accepted in the United States of America?  
 Yes\_\_\_ No\_\_\_  
 Briefly describe any qualifications:  
 \_\_\_\_\_  
 \_\_\_\_\_
- (i) Identification of the accompanying required supplementary information, such as management's discussion and analysis and budgetary comparison schedules accompanying the financial statements and that limited procedures were applied? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (j) Identification of additional information accompanying the financial statements [relevant combining schedules] that have been subjected to the auditing procedures applied in the audit of the basic financial statements? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (k) Identification of additional supplementary information [such as the introductory section and statistical section] that has not been subjected to the auditing procedures? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (l) An opinion as to whether the schedule of expenditures of federal awards and/or schedule of expenditures of state financial assistance is (are) fairly stated in all material respects in relation to the basic financial statements taken as a whole or a disclaimer of opinion?  
 Briefly describe any qualifications: Yes\_\_\_ No\_\_\_ N/A\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- (m) An opinion as to whether the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole or a disclaimer of opinion?  
Briefly describe any qualifications: \_\_\_\_\_  
\_\_\_\_\_ Yes\_\_\_\_ No\_\_\_\_
- (n) Identification that the introductory section and statistical section was not audited? Yes\_\_\_\_ No\_\_\_\_
- (o) The signature of the public accountant who performed the audit?  
(The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation, which employs the auditor.) Yes\_\_\_\_ No\_\_\_\_
- (p) The date of the audit report? Yes\_\_\_\_ No\_\_\_\_
19. (a) Have the schedules of expenditures of federal awards and expenditures of state financial assistance been prepared as prescribed by The Audit Program in Section II-SA?  
Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
If "No", describe deficiencies:  
\_\_\_\_\_  
\_\_\_\_\_
- (b) Do the funds received per the schedules agree with department/state disbursement records? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (c) Based on federal and state financial assistance expenditures, was the proper type of audit report prepared? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
Total Federal Expenditures \_\_\_\_\_  
Total State Expenditures \_\_\_\_\_
20. Do the Notes to the Schedules of Awards and Financial Assistance include the following:
- (a) Basis of accounting of the data? Yes\_\_\_\_ No\_\_\_\_
- (b) Disclosure of the nature of differences between amounts presented in the schedules and amounts reported in related reports? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (c) Relationship of the data presented to the financial statements? Yes\_\_\_\_ No\_\_\_\_
- (d) Assumptions used to value noncash programs and means of calculations? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (e) Unique matters necessary to understand the amounts presented for any individual program? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (f) Other matters considered necessary to ensure the schedule is not misleading? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
21. Are the following reports included?

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

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

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133?

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

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

(a) A statement that the auditor has audited the financial statements and a reference to the auditor's report on the basic financial statements?

Yes\_\_\_ No\_\_\_

(b) A statement that the audit was conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey?

Yes\_\_\_ No\_\_\_

(c) A statement that, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, the auditor performed tests of compliance with certain provisions of laws, regulations, contracts, and grants?

Yes\_\_\_ No\_\_\_

(d) A statement that the auditor's objective was not to provide an opinion on compliance with those provisions?

Yes\_\_\_ No\_\_\_

(e) A statement that the results of tests performed disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey?

Yes\_\_\_ No\_\_\_

(f) A statement that the results of tests performed disclosed instances of non-compliance that are required to be reported under *Government Auditing Standards* and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and reference to the accompanying schedule of findings and questioned costs by finding reference number?

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

(g) A statement that, in planning and performing the audit, the auditor considered the internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting?

Yes\_\_\_ No\_\_\_

(h) The definition of a control deficiency and a significant deficiency?

Yes\_\_\_ No\_\_\_

(i) The definition of a material weakness?

Yes\_\_\_ No\_\_\_

- (j) A statement that the auditor's consideration of internal control over financial reporting would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses? Yes\_\_\_\_ No\_\_\_\_
- (k) Was a significant deficiency noted? (if "Yes" answer (i.)-(ii.), if "No" skip to 22.(l)) Yes\_\_\_\_ No\_\_\_\_
- i. A statement that significant deficiencies are described in the accompanying schedule of findings and questioned costs and the related finding reference number? Yes\_\_\_\_ No\_\_\_\_
- ii. A statement about whether the auditor believes any of the significant deficiencies described in the report are material weaknesses and, if so: Yes\_\_\_\_ No\_\_\_\_
1. Identifies which one(s)? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (l) If no significant deficiency was noted:
- i. A statement that no matters that the auditor considered to be a material weakness were noted? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (m) If applicable, a statement that certain matters were reported to management in a separate letter (the Auditor's Management Report)? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (n) A statement that the report is intended for the information of the Board, the New Jersey Department of Education, and Federal awarding agencies? Yes\_\_\_\_ No\_\_\_\_
- (o) The signature of the public accountant who performed the audit? Yes\_\_\_\_ No\_\_\_\_  
(The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation, which employs the auditor.)
- (p) The date of the auditor's report? Yes\_\_\_\_ No\_\_\_\_
23. Does the **Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance** include the following:
- (a) A statement that the entity's compliance with the requirements described in U.S. Office of Management and Budget Circular A-133 Compliance Supplement and the New Jersey *State Grant Compliance Supplement* that are applicable to each of its major programs was audited? Yes\_\_\_\_ No\_\_\_\_
- (b) A statement that compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the entity's management and that the auditor's responsibility is to express an opinion on compliance based on his or her audit? Yes\_\_\_\_ No\_\_\_\_

- (c) A statement that the audit was conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*? Yes\_\_\_\_ No\_\_\_\_
- (d) A statement that generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 require that the auditor plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in item *a*, above, that could have a direct and material effect on a major program occurred? Yes\_\_\_\_ No\_\_\_\_
- (e) A statement that an audit includes examining, on a test basis, evidence about the entity's compliance with the requirements referred to in *a*, above, and performing such other procedures as considered necessary in the circumstances? Yes\_\_\_\_ No\_\_\_\_
- (f) A statement that the auditor believes that his or her audit provides a reasonable basis for an opinion? Yes\_\_\_\_ No\_\_\_\_
- (g) Reference to the accompanying schedule of findings and questioned costs for instances of noncompliance required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04 including related finding reference numbers? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_  
Where applicable, identification of the type of compliance requirement and the major federal program for which noncompliance was reported? Yes\_\_\_\_ No\_\_\_\_ N/A\_\_\_\_
- (h) An opinion as to whether the entity complied in all material respects, with the requirements referred to in item *a*, above? Yes\_\_\_\_ No\_\_\_\_  
Briefly describe any qualifications:  
\_\_\_\_\_  
\_\_\_\_\_
- (i) A statement that, in planning and performing the audit, the auditor considered the internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04? Yes\_\_\_\_ No\_\_\_\_

- (j) A statement that the management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs? Yes\_\_\_ No\_\_\_
- (k) The definition of control deficiency and significant deficiency? Yes\_\_\_ No\_\_\_
- (l) The definition of a material weakness? Yes\_\_\_ No\_\_\_
- (m) A statement that the auditor's consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses? Yes\_\_\_ No\_\_\_
- (n) Was a significant deficiency noted? (if "Yes" answer (i.)-(ii.), if "No" skip to (n)) Yes\_\_\_ No\_\_\_
- i. A statement that significant deficiencies are described in the accompanying schedule of findings and questioned costs and the related finding reference number? Yes\_\_\_ No\_\_\_
- ii. A statement about whether the auditor believes any of the significant deficiencies described in the report are material weaknesses and, if so:  
1. Identifies which one(s)? Yes\_\_\_ No\_\_\_
- (o) If no significant deficiency was noted:  
i. A statement that no matters that the auditor considered to be a material weakness were noted? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (p) A statement that the report is intended for the information of the Board, the New Jersey Department of Education, and Federal awarding agencies? Yes\_\_\_ No\_\_\_
- (q) The signature of the public accountant who performed the audit? Yes\_\_\_ No\_\_\_  
(The audit report must be signed by the individual making the audit or in charge of the audit and not by the firm or corporation, which employs the auditor.)
- (r) The date of the auditor's report? Yes\_\_\_ No\_\_\_
24. Does the **Schedule of Findings and Questioned Costs** include the following four components:
- (a) A summary of the auditor's results which includes:
- i. The type of report issued on the financial statements? Yes\_\_\_ No\_\_\_
- ii. Where applicable, a statement that significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- iii. A statement as to whether the audit disclosed any noncompliance which is material to the basic financial statements? Yes\_\_\_ No\_\_\_
- iv. Where applicable, a statement that significant deficiencies in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses:

- |       |  |        |       |        |
|-------|--|--------|-------|--------|
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| v.    | The type of report the auditor issued on compliance for major programs:  |        |       |        |
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| vi.   | A statement as to whether the audit disclosed any audit findings which the auditor is required to report:  |        |       |        |
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| vii.  | An identification of major programs:   |        |       |        |
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| viii. | The dollar threshold used to distinguish between Type A and Type B programs was computed correctly:  |        |       |        |
|       | For federal awards?  |        |       |        |
|       | CPA FIRM                      DOE Calculation  |        |       |        |
|       | _____  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  |        |       |        |
|       | CPA FIRM                      DOE Calculation  |        |       |        |
|       | _____  | Yes___ | No___ | N/A___ |
| ix.   | A statement as to whether the auditee qualified as a low-risk auditee:   |        |       |        |
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| x.    | Do programs identified by NJDOE review calculation as Type A on the Schedules of Expenditures agree with those identified on the Schedules of Findings and Questioned Costs (Section I – Summary of Auditor’s Results) and the Type A Worksheet: |        |       |        |
|       | For federal awards and the SF-SAC?   | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
|       | If No, has the program been audited in either of the two preceding years?  |        |       |        |
|       | For federal awards?  | Yes___ | No___ | N/A___ |
|       | For state financial assistance?  | Yes___ | No___ | N/A___ |
| (b)   | Findings relating to the financial statements which are required to be reported in accordance with GAGAS?  | Yes___ | No___ | N/A___ |
| (c)   | Findings and questioned costs for Federal awards as per A-133 (Sec.510 (a) and (b))?   | Yes___ | No___ | N/A___ |
| (d)   | Findings and questioned costs for State financial assistance?  | Yes___ | No___ | N/A___ |
| 25.   | Does the Summary Schedule of Prior Audit Findings include the following :  |        |       |        |
| (a)   | The reference numbers the auditor assigns to audit findings, including the fiscal year in which the finding initially occurred?  | Yes___ | No___ | N/A___ |

- (b) For repeat audit findings, the crossreference to the current year audit finding number? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (c) The status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to Federal awards and State Financial Assistance? Yes\_\_\_ No\_\_\_ N/A\_\_\_
- (d) Audit findings reported in the prior audit's summary schedule of prior audit findings as follows:
  - i. When fully corrected the summary schedule need only list the findings and state that corrective action was taken. Yes\_\_\_ No\_\_\_ N/A\_\_\_
  - ii. When not corrected or only partially corrected, the summary schedule must describe the planned corrective action as well as any partial corrective action taken. Yes\_\_\_ No\_\_\_ N/A\_\_\_
  - iii. When corrective action is significantly different from corrective action previously reported in a corrective action plan or in the Federal agencies or pass-through entity's management decision, the summary schedule shall provide an explanation. Yes\_\_\_ No\_\_\_ N/A\_\_\_
  - iv. When the auditee believes the audit findings are no longer valid or do not warrant further action, the reasons for this position shall be described in the summary schedule. Yes\_\_\_ No\_\_\_ N/A\_\_\_
- 26. Has an acceptable Corrective Action Plan been submitted to the department with the Audit Synopsis through the county office of education? Yes\_\_\_ No\_\_\_
- 27. Has a copy of the Federal Data Collection Form as per USOMB Circular A-133 been received by the department if auditee expended over \$500,000 in federal financial assistance? Yes\_\_\_ No\_\_\_ N/A\_\_\_

**III. Comments and Recommendations**

- 1. Does the Auditor's Management Report contain comments as outlined in The Audit Program as to the accuracy and completeness of financial reports and claims for advances or reimbursement to federal agencies or their representatives (i.e. Food Service Fund) and Child Nutrition Requirements? Yes\_\_\_ No\_\_\_

2. Districts required to use school-based budgeting - Are all irregularities disclosed in the Audit Questionnaire included as comments and recommendations in the Auditor's Management Report? (All negative comments, exceptions, or noncompliance noted in the Audit Report should have a corresponding recommendation)

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

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

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3. Does the Auditor's Management Report provide comments both negative and positive on significant findings and recommendations from the previous audit to determine whether appropriate corrective actions had been taken?

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