

KEY ITEMS

For Audit

BALANCE SHEET

CASH

- Complete all required bank reconciliations, including the month following the year-end.
- Have all statements including the month following the year-end on hand.

INVESTMENTS

- Ensure interest has been recorded for all investments, and ensure ending balances from statements agree to the accounting system.
- Have all statements available on hand.

ACCOUNTS RECEIVABLE

- Review accounts receivable balances and compare to prior year. Make notes on potential write-offs. Make comments on collectability of balances.

PREPAID EXPENSES

- Review transactions recorded to prepaid expenses, reverse if transaction occurred in current year, if applicable. Make notes on what comprises the remaining balance.

CAPITAL ASSETS

- Ensure all large purchases in excess of \$500 (or a higher threshold is applicable) are recorded on the tangible capital asset worksheet (see examples).
- Ensure all above are properly recorded as a capital asset, versus an expense (prepare required journal entry to reduce expense and increase respective capital asset account).

ACCOUNTS PAYABLE

- Review accounts payable balances and compare to prior year. Make notes on aged (over 60 days).

DUE TO/FROM (RELATED ENTITIES)

- Prepare Excel worksheet outlining balances in general ledger, show agreeing correspondence from related party to tie out balances.

LONG TERM DEBT

- Provide a listing of all long-term debts at year-end with the below information: (see examples of amortization tables)
 - Repayment terms
 - Interest rates
 - Collateral
- Ensure all loan agreements are on hand (new and existing).

DEFERRED REVENUE

- Provide an Excel listing of all balances recorded in the general ledger.
- Provide evidence funding can be carried forward (multi-year agreement, approval for carry forward).
 - Note in the Excel workbook.
- Have copies of funding agreements on hand.



KEY ITEMS

For Audit

INCOME STATEMENT

SURPLUS

- Tie out opening balances of previous years audit to the general ledger and maintain the workbook.
- Provide comments on any transfer to/from surplus accounts (similar to deferred revenue).

REVENUE

- Tie out ISC/FNIH/CMHC or any other government funding received.
- Confirm on hand or request “funding letter/confirmations” from all government funding sources.
- Ensure all government funding is recorded separately in the general ledger system.
- Prepare ISC reporting based on Annex A of the ISC reporting Guide (if applicable).

EXPENSES

- Prepare horizontal variance analysis for expense accounts between the two fiscal years and make notes for significant changes year over year (any amount of change (25% change from the prior year)
- Review utilities, telephone, or accounts where the expectation should be 12 invoices (recurring monthly accounts)
- Review supplies, purchases, subcontracting, repairs & maintenance
- For large expenditures–review for potential capital assets–journalize out or make notes for the auditor.
- Prepare copies of any invoice in excess of \$5,000 to be prepared for request.
- Review ISC, or any other specific government-funded programs to ensure correct expenses have been recorded, journalize if required, and make notes.
- Prepare separate schedules for ISC-funded entities–as per Annex A of the ISC reporting guide.

PAYROLL

- Provide supporting evidence for significant wage adjustments, retroactive pay adjustments, severance, and bonus payments.
- Pull the payroll journal entries for the last period of the year, and the first period of the year
 - Record the payroll accrual (if applicable)

RENUMERATION

- Prepare a schedule of salaries/honoraria, travel and other expenses for members of the Chief & Council, and other elected officials–as per Annex B of the ISC Reporting Guide.
- Prepare a schedule of salaries/honoraria, travel and other expenses for members of unelected senior officials–as per Annex C of the ISC reporting guide.



GENERAL:

After reviewing and making any changes, provide the following statements to your auditor prior to commencing the audit.

- Trial balance for all accounts
- Any internal financial statements
- Detailed listing of all general ledger accounts
- Chart of accounts (shows any changes)
- Department/Cost centre listings (shows any changes)
- Most recent backup of accounting software

OTHER

- Provide a summary of significant events that occurred after the year-end (i.e fully paid off outstanding loan, settled large legal lawsuit)
- Provide details of contingent liabilities of items in dispute or litigation.
 - Provide specifics of the above.
- Provide all loan documents, and lease documents for new loans and leases (building, equipment, vehicle)
- Provide copies of new contracts for large-scale projects (more than \$25,000 and multi-year projects)
- Provide copies of all minutes and motions of all Chief & Council meetings up to the beginning of the audit (full year and up to the start of the audit).
- Provide a copy of all budgets approved by Chief & Council (initial, mid-year, adjustments)
- Provide source documentation that outlines approval or process as it relates to carry forward of ISC or government funds.

RELATED PARTY TRANSACTIONS

- Documents and outline the details of transactions occurring between related parties and explain the relationship.
- Link to due to/from related entities worksheet from the balance sheet.