

Local Council Audit Self-Review Form

The Local Council Audit Self-Review Form is a tool designed to help councils understand and evaluate the audit and BSA standards prior to the submission of the audit and required accompanying documents. It is meant to be completed only after a thorough review of the *Local Council Guide to the 2019 Audit*. Please submit prior to July 31, 2020 to audits.990@scouting.org

1. Make sure the audit adjustments proposed by the auditors and accepted by the audit committee have been recorded in PeopleSoft and posted to the general ledger.
2. Obtain a draft copy of the 2019 audited financial statements.
3. Generate the following PeopleSoft financial reports for the period ending December 31, 2019:
 - Statement of Financial Position—Audit (FINPOS_S)
 - Statement of Activities and Changes in Net Assets—Audit (ACNA_AUD)
 - Statement of Functional Expenses—print both Excel sheets (FUNCTEXP)
 - Statement of Cash Flows (SOCF)
4. Compare the financial reports to the audited financial statements, ensuring that net assets match by fund, by restriction, and in total.
5. Complete the Local Council Audit Self-Review Form on the following pages.
6. Check the boxes on the Local Council Audit Self-Review Form if the standards are met.
7. If the draft audited financial statements do not meet BSA audit standards, this is the time to go back to your auditors and work together to correct the deficiencies.
8. If corrections are made, obtain another draft copy of the audit financials and repeat steps 1 through 7.

Local Council Audit Self-Review Form

Year ended: 2019

Reviewed by _____

Classification of audit opinion: ☐ Unmodified ☐ Modified ☐ Other ☐

REQUIRED FINANCIAL STATEMENTS—Are they in the three-fund format (operating, capital, and endowment) and do they contain prior-year information?		
	Three-Fund Format	Prior-Year Comparison
Statement of Financial Position—Audit (FINPOS_S)		
Statement of Activities and Changes in Net Assets—Audit (ACNA_AUD)		
Statement of Functional Expenses (FUNCTEXP)	N/A	
Statement of Cash Flows (SOCF)		

- ☐ **FOS CONTRIBUTIONS:** FOS contributions are shown as one-line item in the Statement of Activities and Changes in Net Assets, with **no provision for uncollectible accounts** presented.

- ☐ **INTERFUND LOANS:** Interfund loans are recorded in the asset section only, and the total of all funds net to zero on the Statement of Financial Position. Interfund loans not expected to be settled within one year should be presented in the audited Statement of Financial Position) in the **noncurrent assets** section.

- ☐ **INVESTMENT RETURN:** Investment return from the endowment fund is recorded in the Statement of Activities and Changes in Net Assets, in the fund for which its use is intended (in most cases, this is the income generated from the investments of the endowment fund and earned, **net of investment expenses**, in the current year recorded as investment return in Fund 1), and the amount is in accordance with the council's spending policy.

- ☐ **TRANSFERS:** There are no transfers, or they are recorded between net assets beginning of year and end of year on the Statement of Activities and Changes in Net Assets.

- ☐ **COST OF GOODS SOLD:** If applicable, cost of goods sold is disclosed on the Statement of Activities and Changes in Net Assets.

- ☐ **PRODUCT SALE COST OF GOODS SOLD:** This is disclosed on the Statement of Activities and Changes in Net Assets.

- ☐ **PRODUCT SALE COMMISSIONS PAID:** This is disclosed on the Statement of Activities and Changes in Net Assets.

- ☐ **SPECIAL EVENTS – COST OF DIRECT BENEFIT TO PARTICIPANTS:** This is disclosed on the Statement of Activities and Changes in Net Assets.

- ☐ **SPECIAL EVENTS:** Gross revenues from special events has been disaggregated into its contribution and exchange components and disclosed on the face of the Statement of Activities and Changes in Net Assets or in the notes to the financial statements (see page 41

of the Local Council Guide to the 2019 Audit.

- ☐ **NET ASSETS BY FUND AND RESTRICTION** within each fund match the council-generated Statement of Financial Position—Audit (FINPOS_S) and Statement of Activities and Changes in Net Assets (ACNA_AUD).
- ☐ **STATEMENT OF CASH FLOWS (SOCF):** Cash received with a donor-imposed restriction that limits its use to long-term purposes should be shown as a cash inflow from financing activities and as an adjustment to reduce cash flows from operating activities. Restricted cash (if any) should be combined with unrestricted cash when reconciling beginning and ending balances on the Statement of Cash Flows (SOCF).
- ☐ **AUDIT COMMITTEE MINUTES:** Minutes are taken, typed, and filed locally with the two required signatures (Scout executive and audit committee chair). Steps are taken to correct prior-year BSA deficiencies, if any.
- ☐ **AU-C 260 LETTER (formerly SAS 114/115 Management Letter):** Submitted.
- ☐ **MANAGEMENT RESPONSE LETTER:** Submitted.
- ☐ **NOTES TO FINANCIAL STATEMENTS INCLUDED WITH AUDIT:** Download and provide to your auditor the **Sample Notes to 2019 Financial Statements** from the Fiscal Documents page here: <https://www.scouting.org/council-support/finance-impact/council-financial-management/document-library/>. Be sure to review the notes with your auditor. Most of the sample disclosures will apply to all local councils—especially Note 1, Summary of Significant Accounting Policies. *Please ensure that your council's footnote disclosures are clearly representative of its unique financial situation.*

**Audited Statement of Activities
and Changes in Net Assets**

Surplus or deficit _____

Total revenue and support _____

Total expenses _____

**System-Generated Statement of Activities
and Changes in Net Assets—Audit**

Surplus or deficit _____

Total revenue and support _____

Total expenses _____

Council Statement of Financial Position—Audit (FINPOS S)—NET ASSETS

Fund 1 Values

Fund 2 Values

Fund 3 Values

Net Assets w/o Donor Rest _____ Net Assets w/o Donor Rest _____ Net Assets w/o Donor Rest _____

Net Assets w/ Donor Rest _____ Net Assets w/ Donor Rest _____ Net Assets w/ Donor Rest _____

Total Net Assets _____ Total Net Assets _____ Total Net Assets _____

Audited Statement of Financial Position—NET ASSETS

Fund 1 Values

Fund 2 Values

Fund 3 Values

Net Assets w/o Donor Rest _____ Net Assets w/o Donor Rest _____ Net Assets w/o Donor Rest _____

Net Assets w/ Donor Rest _____ Net Assets w/ Donor Rest _____ Net Assets w/ Donor Rest _____

Total Net Assets _____ Total Net Assets _____ Total Net Assets _____