

# **Solid Waste Authority Audits**

**PROCURING AN AUDIT & AUDIT MATERIALS GUIDE**

**BUSINESS & FINANCIAL ASSISTANCE SECTION**

WV Solid Waste Management Board  
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## Basic Steps In Procuring An Audit

1. Receive notice from the Chief Inspector Division that you are to procure a CPA to perform your audit.
2. Appoint your audit procurement committee.
3. Determine whether you need a Single Audit, Financial and Compliance Audit, or a Review. See Section 2.14 on page 35 of the bid manual.
4. Complete the Request for Proposal (RFP).
5. Call and/or submit your completed RFP to at least three (3) CPA firms who will provide you with a written response. A response could even be "no bid".
6. Receive CPA written audit proposals.
7. The audit procurement committee must assign weighted values (maximum allowable points) to each item on the score sheet in accordance with the score sheet instructions.
8. Score each proposal on the individual score sheet and transfer each section's total points to the Audit Proposal Score Sheet Summary.
9. The proposal receiving the highest total points is to be awarded the contract.
10. Complete and sign the audit contract. Have the CPA sign the contract.
11. The entity should then submit the following documents to the Chief Inspector Division for review and the final appointing signature:
  1. A copy of the individual score sheet for each proposal received.
  2. A copy of the Audit Proposal Score Sheet Summary.
  3. A copy of the Bid Summary and Certification Form from each CPA proposal.
  4. The original audit contract signed by both the entity and the CPA firm.

# SWA Audit Material Guide

The advance collection and preparation of the following items will expedite the completion of your audit:

1. Have all financial statements for the audit period ready.
2. Have a completed check register for the audit period available.
3. All bank statements for the audit period, including all grant accounts, (even if the account was closed during the year). All statements should be properly reconciled.
4. All CD certificates and the statements of interest earned during the audit period. Be certain that the interest statements go all the way through the fiscal year as many banks send the interest information at various intervals that may not automatically include June 30. ***You need June 30!!***
5. All grant information that pertains to the audit period. Keep a folder for each grant. The folder would include the grant agreement, bank statements, copies of the grant payments received, and invoices detailing payments made from the account. Please keep any other unlisted information that might pertain to the grant in this folder.
6. The minutes of all the meetings during the audit period.
7. A list of assets owned by the authority. This list should denote the purchase date, purchase price, type of equipment, and source(s) of funds with which each item was purchased (i.e. DNR grant, SWA grant, financial agreement, general revenue or any other funding source), also use some type of identification number (serial # [preferred], model #, etc.).
8. A depreciation schedule for these assets.
9. For any purchases that were financed either by a bank loan or a lease purchase option you need the amortization schedule and payment schedule along with any additional documents pertaining to the purchase.
10. All invoices paid during the audit period.

***In addition to the foregoing, the following items are needed from entities that own a landfill:***

11. All weight tickets that cover the audit period along with tonnage reports.
12. Details for any expenditure made from any closure or post-closure account. Page 2 SWA Audit Materials Guide
13. A list of assets owned by the landfill. This list should denote the purchase date, purchase price, type of equipment and source(s) of funds with which each item was purchased (i.e. DNR grant, SWA grant, financial agreement, general revenue or any other funding source). Also, use

some type of identification number (serial # [preferred], model #, etc.).

14. A depreciation schedule for these assets.

15. All payroll information for the audit period (941's, retirement reports, etc.).

16. Aging of accounts payable and accounts receivable reports.

There will undoubtedly be other items that the auditor will request, depending on the entity being audited. However, the ready availability of the documents listed here will give your auditor a good start, help facilitate the audit process and thereby assist in minimizing the cost of the audit. The more you can have prepared *before* the auditor arrives, the faster he or she will be leaving.