

CHECKLIST FOR
EXCEPTIONS AND SPECIAL PROVISIONS IN AUDIT CONTRACTS
(use this document for all contracts)

Part I

- Does this contract involve activity funds of a school system?
Yes – Complete Parts II and III
No – Complete Part II only

Part II

1. Is this contract for the entire reporting entity?
Yes – Go to next step
No – Go to step __5__

2. Will only one audit report for the reporting entity as a whole be issued as a result of this contract?
Yes – Go to next step
No – Go to step __4__

3. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

No special provisions related to audit reports to be issued need to be identified in paragraph 8 of the contract.

4. Stop
No exceptions need to be listed in paragraph 1 of the contract.

In paragraph 8 of the contract identify each fund, department, component unit, subsidiary, etc. for which a separate audit report will be issued.

5. Is this contract for the primary government or parent organization?
Yes – Go to next step
No – Go to step __9__

6. Will one audit report be issued for all activities of the portion of the reporting entity that this contract covers?
Yes – Go to next step
No – Go to step __8__

7. Stop.
In paragraph 1 of the contract, identify which funds, departments, component units, subsidiaries, etc. that will not be included in the contract.

No special provisions related to audit reports to be issued need to be identified in paragraph 8 of the contract.

8. Stop

In paragraph 1 of the contract, identify which funds, departments, component units, subsidiaries, etc. that will not be included in the contract.

In paragraph 8 of the contract identify each fund, department, component unit, subsidiary, etc. for which a separate audit report will be issued.

9. Is this contract for a single fund, department, component unit, subsidiary, etc.?
Yes – Go to next step
No – Go to step __15__
10. Was an audit for this fund, department, component unit, subsidiary, etc. contracted for separately in the immediately preceding year?
Yes – Go to next step
No – Go to step __14__
11. Will one audit report be issued for all activities of the fund, department, component unit, subsidiary, etc.?
Yes – Go to next step
No – Go to step __13__
12. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

No special provisions related to audit reports to be issued need to be identified in paragraph 8 of the contract.
13. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

In paragraph 8 of the contract identify each fund, department, component unit, subsidiary, etc. for which a separate audit report will be issued.
14. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

No special provisions related to audit reports to be issued need to be identified in paragraph 8 of the contract.

Note the change in contracting process in the “Additional comments/explanations for the department of audit” field on the CARS contract form. (Note: this comment will NOT be a part of the final contract.)
15. Is this contract for multiple funds that do not include the entire operations of a department or board? For example, (1) a utility board that does not include all utilities of a municipality (2) activity and non-centralized cafeteria funds of a board of education (3) 1 or more utilities and their related pension funds.
Yes – Go to next step
No – Stop.
You must contact the department of audit before you proceed.

16. Stop.
Separate contracts are required. For example, (1) one contract must be issued for the electric fund and a separate contract must be issued for the electric pension fund (2) one contract must be executed for the activity funds and a separate contract must be issued for the non-centralized cafeteria fund.

Part III

1. Is this contract for activity funds that are a part of a county school system?
Yes – Go to next step
No – Go to step __5__
2. Is the cafeteria fund centralized?
Yes – Go to next step
No – Go to step __4__
3. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

In paragraph 8 of the contract include a statement that the audit will include the centralized cafeteria procedures required by the *Audit Manual*.
4. Stop.
Separate contracts are required. One contract will be executed for the activity funds and another contract for the non-centralized cafeteria funds.
5. Is this contract for activity funds that are a part of a municipal school system, a charter school, or a special school district?
Yes – Go to next step
No – Stop. This section does not apply to you.
6. Is the cafeteria fund centralized?
Yes – Go to next step
No – Go to step __8__
7. Stop.
No exceptions need to be listed in paragraph 1 of the contract.

No special provisions related to audit reports to be issued need to be identified in paragraph 8 of the contract. The cafeteria fund will be audited as a part of the board of education audit.
8. Stop.
Separate contracts are required. One contract for the activity funds and another contract for the non-centralized cafeteria fund.