AUDIT SUPPORT PREPARATION GUIDE

Local School System / State Charter School · Year-End Close and Audit Readiness Checklist

PURPOSE

This guide is a practical tool to help management prepare for its annual financial audit. It brings together, in one checklist organized by audit area, the year-end records, reconciliations, schedules, and supporting documentation the audit team needs to perform a timely and effective audit. Working through the guide as part of year-end close helps the entity identify gaps early, reduce audit adjustments and follow-up requests, and keep the audit on schedule.

The checklist covers the core records for year-end close and audit readiness but is not a complete list of what the audit may require. The audit team may request additional items as the audit progresses, based on the entity's transactions and audit risks. Additional year-end close resources and tools are available on the DOAA website (audits.ga.gov).

RELATIONSHIP TO THE AUDIT READINESS AND REQUIRED PAYMENTS CERTIFICATIONS

Under O.C.G.A. § 20-2-67(a.1), each local school system and state charter school must submit two certifications to DOAA by December 31: the Audit Readiness Certification, with the completed Certification Readiness Requirements Checklist, and the Annual Certification of Required Payments, with the completed Required Payment Status Checklist. Each is a separate document with its own requirements, signatures, and submission instructions. This guide is not part of either certification and is not submitted with them.

Because complete financial statements depend on the records that support them, this guide covers the areas addressed in the Certification Readiness Requirements Checklist as well as the additional documentation the audit team will need. An entity that has every applicable item in this guide Ready by December 31 will be well positioned both to complete the Audit Readiness Certification and to support an efficient audit. Refer to the Certification Readiness Requirements Checklist for the certification requirements and status definitions.

> **Why this matters.** Maintaining complete and accurate accounting records, and providing them to the audit team when requested, is management's responsibility. The financial statements cannot be complete without the supporting documentation listed in this guide. Records that are missing, incomplete, or unreliable delay the audit and, depending on the nature and significance of the issue, may result in audit findings or other reporting consequences.

HOW TO USE THIS GUIDE

- **Assign responsibility.** Identify who in the finance office is responsible for each item and record it in the Notes column if helpful.
- **Mark a status for each item.** Use the status definitions below. For an item In Progress, note the work remaining and the expected completion date. For an item marked N/A, note the basis briefly.
- **Keep support organized.** Each item should be ready to provide to the audit team through Suralink by the agreed-upon due date.
- **Review before the entrance conference.** Finance leadership should review the completed checklist and bring it to the entrance conference to confirm which items are Ready and raise any barriers early.

References to "June 30" and "the fiscal year" mean the fiscal year under audit.

STATUS DEFINITIONS

Status	Definition
Ready	Everything described for the item is done, and the records can be provided through Suralink by the agreed-upon due date.
In Progress	Any part of the item's description is not yet done, however small the remaining work. Note the work remaining and the expected completion date.
N/A	The item does not apply to the entity for the fiscal year. Note the basis.

KEY TERMS

The item descriptions in this guide use the following terms. An item is Ready only when every term in its description is met.

Term	Meaning
Prepared	The schedule or document exists and covers the full population and period stated in the item.
Reconciled	Agrees to the general ledger or other source named in the item; any differences are identified and explained.
Reviewed	Approved by someone other than the preparer, with the reviewer and date documented.
Supported	Backed by source documents (such as invoices, agreements, grant awards, or subsequent receipts or payments) that substantiate the amount.
Significant balance	An individual balance large enough, alone or combined with similar items, to be important to the fund in which it is reported.
Aged item	An item outstanding beyond the normal collection or payment period for its type, including any item carried forward from a prior fiscal year.
Material	Large enough or important enough, alone or combined with similar items, that its omission or misstatement could influence a reader of the financial statements.

SUGGESTED PREPARATION TIMELINE

When	What to have ready
Monthly, throughout the year	Bank reconciliations, interfund balances, school activity fund records, grant reimbursement records, and journal entry support kept current.
Before closing the general ledger	June 30 bank reconciliations; receivable, payable, and deferred revenue listings; review of disbursements made after June 30; payroll accruals; interfund balances reconciled; capital asset additions, disposals, and construction in progress; and debt, lease, and SBITA activity recorded.
After close	Final trial balance and fund listing, post-closing adjustment log, and the schedules supporting the financial statements (capital asset rollforward, debt and lease schedule, cash and investments schedule, SEFA, and note disclosure support).
By December 31	Financial statements, notes, and supplementary schedules complete, and every applicable item in this guide Ready. The Audit Readiness Certification and Certification Readiness Requirements Checklist, and the Annual Certification of Required Payments and Required Payment Status Checklist, are also due to DOAA by this date.
Audit planning and fieldwork	Items that continue to update (such as board minutes through the most recent meeting and leases entered into after June 30) and any additional items requested, provided through Suralink by the due dates agreed with the audit team.

AUDIT SUPPORT CHECKLIST

Each item names the record to prepare, followed by what it must show (for example, reconciled to the GL and reviewed). Mark one status for each item, and use Notes for remaining work and expected dates, or the basis for N/A.

General Ledger and Year-End Close (GL)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
GL-1	**General ledger close.** Evidence of the general ledger (GL) close, such as a system close report or screenshot, showing the close date for all funds, including school activity, School Food Service, and any funds maintained in a separate system; no entries posted after close. *Record adjustments after close in the post-closing adjustment log (GL-5). If the GL was reopened, describe the entries posted in Notes.*	☐	☐	☐	
GL-2	**GL detail and fund listing.** Complete GL detail in electronic form, and a listing of all funds with names and descriptions.	☐	☐	☐	
GL-3	**Final trial balance.** June 30 trial balance for all funds, balanced, reconciled to the GL, and reviewed.	☐	☐	☐	
GL-4	**Beginning balances.** Reconciliation of beginning fund balances and net position to the prior-year audited financial statements, with differences explained and recorded in the current-year GL and any prior-period adjustments documented.	☐	☐	☐	
GL-5	**Post-closing adjustment log.** Log of all adjustments needed after close (recorded in the log, not posted to the GL), each with description, effect on the statements, support, preparer, and reviewer. *Mark N/A only if no adjustments were needed after close.*	☐	☐	☐	
GL-6	**Interfund balances and transfers.** Reconciliation of June 30 due to/due from balances and transfers showing they offset across funds, reviewed, with aged balances explained.	☐	☐	☐	
GL-7	**Journal entry support.** Journal entry listing for the year with a unique number for each entry. Support for each entry is retained, and support for material and unusual entries is ready before related audit testing.	☐	☐	☐	

Financial Statements and Supporting Schedules (FS)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
FS-1	**Financial statements.** Financial statements, notes, and RSI prepared in conformity with GASB standards, with a reconciliation to the final trial balance (GL-3) and post-closing adjustment log (GL-5). *Identify any incomplete statement or note in Notes.*	☐	☐	☐	

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
FS-2	**Supplementary schedules.** SEFA, Schedule of State Revenue, and ESPLOST schedule (as applicable), each with a reconciliation to the GL.	☐	☐	☐	
FS-3	**Note disclosures.** Supporting calculations and documentation for all material note disclosures, including commitments, contingencies and litigation, and net pension and OPEB liabilities. *Identify any disclosure without complete support in Notes.*	☐	☐	☐	
FS-4	**Budgets.** Original and final budgets (DE 46A and DE 46B) as submitted to GaDOE.	☐	☐	☐	
FS-5	**Net investment in capital assets.** Calculation of net investment in capital assets, reconciled to the capital asset rollforward (CA-1) and debt schedule (LTD-1).	☐	☐	☐	
FS-6	**Claims incurred but not reported (IBNR).** IBNR calculation for self-insured plans, with support.	☐	☐	☐	
FS-7	**Significant estimates.** Documentation of each significant estimate (e.g., allowances, IBNR, compensated absences, useful lives): method, key assumptions, and supporting data.	☐	☐	☐	
FS-8	**Unusual transactions.** Listing of unusual or nonrecurring transactions (e.g., settlements, property sales, insurance recoveries, new financing), with support and the accounting treatment for each.	☐	☐	☐	
FS-9	**Preparation assistance.** If DOAA or an outside firm assisted with the financial statements: a description of the assistance and evidence of management's review and approval of the statements (e.g., signed approval).	☐	☐	☐	

Receivables and Deferred Revenue (AR)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
AR-1	**Accounts receivable.** Listing of June 30 receivables, reconciled to the GL and reviewed, with support for significant balances and a collectibility evaluation for aged or questionable items.	☐	☐	☐	
AR-2	**Deferred and unavailable revenue.** Listing of June 30 deferred and unavailable revenue, reconciled to the GL and reviewed, with support for significant balances and explanations for aged items.	☐	☐	☐	

Accounts Payable (AP)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
AP-1	**Accounts payable.** Listing of June 30 accounts payable, reconciled to the GL and reviewed, with support for significant balances and explanations for aged items.	☐	☐	☐	
AP-2	**Unrecorded liabilities.** Listing of disbursements made after June 30, with each identified as a current- or prior-year expenditure and the reviewer and review date shown.	☐	☐	☐	

Cash and Investments (CI)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
CI-1	**June 30 bank reconciliations.** Reconciliation of every bank account, including school activity accounts, to the GL, with outstanding checks, deposits in transit, and other reconciling items listed and aged, and the preparer and reviewer shown.	☐	☐	☐	
CI-2	**Cash and investments schedule.** Schedule of June 30 cash and investments by bank account and fund, including school activity accounts, reconciled to the financial statements and to supporting records, including school activity fund detail (CI-4).	☐	☐	☐	
CI-3	**July bank reconciliations.** July reconciliation of every bank account, including school activity and fiduciary accounts.	☐	☐	☐	
CI-4	**School activity fund detail.** Detail by school and activity for governmental and custodial funds.	☐	☐	☐	
CI-5	**Deposit collateralization.** June 30 collateral reports or pledging statements from each depository, with evidence of management's review.	☐	☐	☐	
CI-6	**Certificates of deposit.** Purchase, renewal, and redemption documents for CDs.	☐	☐	☐	
CI-7	**Investment activity.** Confirmations or statements for investment transactions during the year.	☐	☐	☐	
CI-8	**Investment statements.** June 30 investment statements, reconciled to the GL.	☐	☐	☐	

Capital Assets (CA)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
CA-1	**Capital asset rollforward.** Rollforward by asset class (beginning balance, additions, deletions, transfers from construction in progress, depreciation, ending balance), with beginning balances agreed to the prior-year audited statements and depreciation reconciled to the financial statements.	☐	☐	☐	
CA-2	**Detailed capital asset listing.** Complete, current listing of capital assets, with rollforward ending balances reconciled to it and to the GL.	☐	☐	☐	
CA-3	**Additions.** Listing of additions with invoices or other support.	☐	☐	☐	
CA-4	**Deletions and disposals.** Listing of deletions and disposals with support.	☐	☐	☐	
CA-5	**Construction in progress.** Schedule of active projects at June 30, including GSFIC-funded projects, with expenditures and payables recorded in the GL.	☐	☐	☐	
CA-6	**Completed projects.** Listing of projects completed during the year, showing the transfer from construction in progress to the asset class.	☐	☐	☐	
CA-7	**GSFIC completion documents.** Completion letter and architect's certification for GSFIC-funded projects completed during the year.	☐	☐	☐	
CA-8	**Construction contracts.** Construction and architect contracts and change orders for active projects.	☐	☐	☐	

Long-Term Debt and Leases (LTD)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
LTD-1	**Debt, lease, and SBITA schedule.** Schedule of bonds, notes, leases, and SBITAs (as lessee or subscriber) showing beginning balance, additions, modifications and remeasurements, payments, ending balance, and current portion, reconciled to the GL.	☐	☐	☐	
LTD-2	**New leases and SBITAs.** Agreements and payment schedules for leases and SBITAs entered into during the year or subsequent period.	☐	☐	☐	
LTD-3	**Lease and SBITA modifications.** For leases (as lessee or lessor) and SBITAs modified, extended, or terminated: amended agreements and documentation of the accounting evaluation (separate lease or remeasurement, and the resulting adjustments).	☐	☐	☐	

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
LTD-4	**Leases as lessor.** Schedule of lease receivables and deferred inflows for property leased to others, with the agreements, reconciled to the GL.	☐	☐	☐	
LTD-5	**New bond issues.** Bond resolution, official statement, and amortization schedule.	☐	☐	☐	
LTD-6	**Bond sources and uses.** Sources and uses worksheet for each new bond issue.	☐	☐	☐	
LTD-7	**Defeasance.** Escrow agreement and verification report for any defeased debt.	☐	☐	☐	
LTD-8	**Temporary loans.** Loan documents for temporary loans, including Tax Anticipation Notes, and evidence of repayment.	☐	☐	☐	

Payroll and Employee Benefits (PR)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
PR-1	**Accrued salaries and benefits.** Schedule of June 30 accrued salaries and benefits, including July and August pay earned during the fiscal year, supported, reconciled to the GL, and reviewed.	☐	☐	☐	
PR-2	**Withholdings and compensated absences.** Schedules of payroll withholding liabilities and compensated absences, supported, reconciled to the GL, and reviewed.	☐	☐	☐	
PR-3	**Benefit plan amounts owed.** Schedule of amounts owed to the State Health Benefit Plan and other benefit plans, including any past-due amounts and payment arrangements, supported, reconciled to the GL, and reviewed. *Payment status is certified separately on the Annual Certification of Required Payments and Required Payment Status Checklist.*	☐	☐	☐	
PR-4	**Salary schedules.** Salary schedules for certified and classified employees, including supplemental pay.	☐	☐	☐	
PR-5	**Superintendent compensation.** Employment contract and earnings history for the year.	☐	☐	☐	
PR-6	**Pensions.** Employer allocation reports (TRS, ERS, PSERS) and the calculation of recorded pension amounts.	☐	☐	☐	
PR-7	**Other postemployment benefits (OPEB).** State Health Benefit Plan employer allocation report and the calculation of recorded OPEB amounts.	☐	☐	☐	

Federal Programs (FP)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
FP-1	**SEFA reconciliation.** Reconciliation of the SEFA to the GL and to grant expenditure and reimbursement records, showing each program's revenue, expenditures, and receivables or unearned revenue, with differences resolved or explained. *Mark all Federal Programs items N/A if no federal awards were expended.*	☐	☐	☐	
FP-2	**Grant documentation.** Award letters, grant agreements, and expenditure reports for each program.	☐	☐	☐	
FP-3	**Subrecipient monitoring.** Monitoring documentation for awards passed through to subrecipients.	☐	☐	☐	

Governance (GOV)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
GOV-1	**Board minutes.** Board minutes from July 1 through the most recent meeting, with summaries for minutes not yet approved.	☐	☐	☐	
GOV-2	**Prior-year audit findings.** Corrective action status for each prior-year finding, with support and any GaDOE clearance letter.	☐	☐	☐	
GOV-3	**Risk assessment.** Management's documented financial reporting and fraud risk assessment, updated for the year.	☐	☐	☐	
GOV-4	**Policies and procedures.** Documentation of changes to the policies and procedures manual during the year.	☐	☐	☐	
GOV-5	**Custodial and trust agreements.** Agreements for custodial or trust accounts opened or amended during the year.	☐	☐	☐	

Administrative Submissions (ADM)

#	Item and What Is Needed	Ready	In Progress	N/A	Notes
ADM-1	**Board and entity contacts.** Current board member and entity contact information.	☐	☐	☐	
ADM-2	**Issued audit report.** If another auditor has already issued the audit: the audit report and related communications (e.g., management letter). *Also required under Requirement 15 of the Certification Readiness Requirements Checklist.*	☐	☐	☐	