

School Divisions
Specified Audit Procedures - Comprehensive
For the Year Ended March 31, 2011

General Procedures	
1.	Follow up on the status of any major issues noted during the June 30, 2010 audit. Discuss with school division management and evaluate the possible effect on the March 31, 2011 financial information.
2.	Discuss with school division management if there were any significant changes to the control environment or system of internal controls subsequent to the June 30, 2010 audit.
3.	Request information from management regarding the following: <ul style="list-style-type: none"> • The receipt of significant donated goods or services, • Details of school closures, and • The nature of any contingencies
4.	Review the minutes of the Board of Trustees for meetings subsequent to the report date for the June 30, 2010 audit. Discuss any significant issues with management and their potential impact on the March 31, 2011 financial information.
5.	Review legal expenses exceeding \$1,000 incurred subsequent to the report date for the June 30, 2010 audit. Review the applicable invoices with school division management for any potential legal contingencies or other issues.
6.	Enquire of management about the existence of any unreported contingencies, commitments and related party transactions not previously disclosed in the June 30, 2010 audited financial statements.
7.	Obtain an updated legal representation letter for any significant legal contingencies that were previously accrued or disclosed in the June 30, 2010 audited financial statements, as well as any new legal claims for which legal representation has been sought.
8.	Enquire of management about any significant subsequent events that would require disclosure or accrual in the March 31, 2011 financial information.
9.	Discuss the risk of fraud with management and consider the risk of fraud when planning and executing the specified audit procedures.
10.	Obtain a representation letter signed by the Secretary Treasurer and other senior management. The letter should include representations that: <ul style="list-style-type: none"> • the March 31, 2011, along with the March 31, 2010 comparative figures are materially correct • management understands that the March 31, 2011 financial information, including the comparative figures, will be included in the Summary Financial Statements for the Province of Manitoba • all representations made to the auditors were correct • management is not aware of any material subsequent events not previously disclosed

Cash Procedures	
1.	Obtain the bank reconciliation for March 31, 2011. Agree the balance per the bank reconciliation to the bank statement. Review the reconciliation for clerical accuracy. Agree individual reconciling items > \$100,000 to supporting documentation (Cancelled cheque, deposit book, etc.).
2.	Review individual bank transfers > \$100,000 occurring 3 business days prior to and subsequent to March 31, 2011. Ensure that the transfers are recorded in the proper fiscal period.

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Cash Procedures	
3.	Ensure that all cash balances in foreign currencies are translated into Canadian dollars using the exchange rates at March 31, 2011.
4.	Discuss restrictions on the use of cash with management. Review bank confirmations and minutes for potential disclosure of restrictions on the March 31, 2011 cash balances.
5.	For material cash balances with restrictions from external parties such as parent action committees and booster clubs (i.e. school funds), ensure that the unspent restricted funds have been recorded as a liability.

Temporary Investments	
1.	Agree temporary investments to investment statements at March 31, 2011. <i>Temporary investments may be, for example, in treasury bills or investment certificates, and are generally capable of reasonably prompt liquidation (PS 3030.01).</i>
2.	Compare temporary investment balances at March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.
3.	Ensure that temporary investments are recorded at market value if the market value has declined below the carrying value and the decline is other than temporary. (PS 3030.05)
4.	Ensure that balances denominated in foreign currencies are translated into Canadian dollars using the exchange rates at March 31, 2011.
5.	Perform a predictive test for investment income on temporary investments. Assess the reasonableness of the investment income for the year March 31, 2011.

Amounts Due From	
1.	Agree amounts due from (> \$500,000) at March 31, 2011 to supporting documentation and/or subsequent receipts. Ensure the amounts are properly accrued at March 31 st , and that accruals made in the previous year have been reversed. In accordance with MASBO's Finance Committee Guidelines for the March 31 st accrual of the special levy, ensure that the school division has accrued ½ of the spring portion of the Division's Special Requirement.
2.	Review supporting documentation to ensure that the following amounts due from at March 31, 2011 have been properly classified: <ul style="list-style-type: none"> • Due from the Provincial Government • Due from Municipal Governments • Due from the Federal Government • Due from other school divisions

Amounts Receivable	
1.	Agree individual amounts receivable balances > \$500,000 at March 31, 2011 to supporting documentation and/or subsequent receipts. Ensure that the amount is due within one year of the balance sheet date.
2.	Review subsequent receipts > \$500,000 to ensure that amounts receivable at March 31,

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Amounts Receivable	
	2011 are complete.
3.	For March 31, 2011 enquire of management as to any significant valuation issues due to an inability to collect.
4.	Ensure that significant credit balances in amounts receivable are reclassified to accounts payable at March 31, 2011.
5.	Compare amounts receivable at March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.

Tangible Capital Assets	
1.	For the year ended March 31, 2011 substantiate additions or disposals over \$500,000 to supporting documentation. Ensure that the additions capitalized are in accordance with the tangible capital asset policy for school divisions as established by the Schools Finance Branch.
2.	Recalculate/estimate the amortization expense for the year ended March 31, 2011. Determine if the amortization expense in the financial information is reasonable.
3.	Review the repairs and maintenance expenditures for amounts exceeding \$500,000 for the year ended March 31, 2011. Review supporting documentation to determine if the item was properly expensed.

Accounts Payable, Accrued Charges, Provisions and Deferrals	
1.	Agree accounts payable (i.e. individual vendor balances), accrued charges, provisions and deferral balances > \$500,000 at March 31, 2011 to supporting documentation and/or subsequent payments. Ensure that the amount was a liability at the balance sheet date (PS 3200.03).
2.	To ensure that accounts payable and accrued charges are complete at March 31, 2011 review payments > \$500,000 from April 1, 2011 to the date of the accountant's report on the specified procedures.
3.	Ensure that the following are properly accrued at March 31, 2011: <ul style="list-style-type: none"> i. Salaries payable ii. Employee benefits and source deductions (CPP, EI, tax deductions, pension plans) iii. Health and Education (payroll) Tax iv. Workers compensation v. Vacation payable vi. Insurance vii. MAST fees viii. Property taxes ix. Audit fees x. Post employment benefits (PS 3255): <ul style="list-style-type: none"> • Severance payable • Long term disability • Compensated absences <p>Obtain the latest available actuarial report to verify the reasonableness of the accrual of post employment benefits.</p>
4.	Ensure that significant debit balances in accounts payable are reclassified to accounts receivable at March 31, 2011.

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Accounts Payable, Accrued Charges, Provisions and Deferrals	
5.	Compare accounts payable, accrued charges, provisions and deferrals at March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.
6.	Ensure that the following are properly disclosed (PS 1200.041-.042): <ul style="list-style-type: none"> i. Accounts payable and accrued liabilities ii. Liabilities for employee future benefits iii. Deferred revenues iv. Provisions v. Long term debt vi. Loans payable to other governments

Amounts Due To	
1.	Agree amounts due to (> \$500,000) at March 31, 2011 to supporting documentation and/or subsequent payments.
2.	Review supporting documentation to ensure that the following amounts to at March 31, 2011 have been properly classified: <ul style="list-style-type: none"> • Due to the Provincial Government • Due to Municipal Governments • Due to the Federal Government • Due to other school divisions

Long Term Debt	
1.	Confirm the balances of school division debentures (by debenture issue) as at March 31, 2011 with Public Schools Finance Board. (Public Schools Finance Board makes the interest payments and principal repayments on behalf of the respective school divisions from funding provided by the Province for debentures which are guaranteed by the Province and to be repaid through future appropriations.)
2.	Enquire of management as to the existence of any long term debt at March 31, 2011.
3.	Agree the balances for self sustaining debt of the school division at March 31, 2011 to loan statements or other supporting documentation. If necessary obtain bank confirmations.
4.	Recalculate the interest expense. Evaluate the reasonableness of the interest expense for the year ended March 31, 2011.

Revenues – Provincial Government	
1.	Compare revenues from the Provincial Government for the year ended March 31, 2011 to the June 30, 2010 audited statement. Investigate variances greater than \$2.5M and 10%.
2.	Compare revenues from the Provincial Government for the year ended March 31, 2011 to the approved annual budgets for the years ended June 30, 2011. Investigate variances greater than \$2.5M and 10%.

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Revenues – Provincial Government	

Revenues – Municipal Governments	
1.	Compare revenues from municipal governments for the year ended March 31, 2011 to the June 30, 2010 audited. Investigate variances greater than \$2.5M and 10%.
2.	Agree the Special Requirement and Education Property Tax Credit amounts disclosed on the Operating Fund - Revenue Detail schedule to supporting documentation.
3.	Compare revenues from municipal governments for the year ended March 31, 2011 to the approved annual budgets for the year ended June 30, 2011. Investigate variances greater than \$2.5M and 10%.

Revenues – Other	
1.	Compare revenues from other sources for the year ended March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.
2.	Compare revenues from other sources for the year ended March 31, 2011 to the approved annual budgets for the year ended June 30, 2011. Investigate variances greater than \$2.5M and 10%.

Salaries and Benefits	
1.	For the period of July 1, 2010 to March 31, 2011 test 1 employee per month. Verify the gross pay and benefits per the payroll register to supporting documentation such as a contract or collective agreement. or If a control reliance approach was used to audit payroll for the June 30 2009 audited financial statements, test the key controls from July 1, 2010 to March 31, 2011. Key controls enhance the reliability of the financial information and could include management and monitoring controls and processing controls. Processing controls could include both manual control procedures and application controls for the payroll system. If a control reliance approach is used, ensure that there have been no significant changes in the general computer control environment since the June 30, 2010 year end.
2.	Compare salaries and benefits for the year ended March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.
3.	Compare salaries and benefits for the year ended March 31, 2011 to the approved annual budget for the year ended June 30, 2011. Investigate variances greater than \$2.5M and 10%.

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Salaries and Benefits	

Other Operating Expenses	
1.	Compare other operating expenses for the year ended March 31, 2011 to the June 30, 2010 audited statements. Investigate variances greater than \$2.5M and 10%.
2.	Compare other operating expenses for the year ended March 31, 2011 to the approved annual budgets for the year ended June 30, 2011. Investigate variances greater than \$2.5M and 10%.