

Quality Review Checklist for FY 2020–21 Child Care and Development Program Agencies

Agency Name & Vendor #: _____

Introduction

The quality review checklist is required to be completed by the agency's representative and submitted along with the agency's 2020–21 audit report and is designed to reduce or eliminate the need for follow-up questions that arise as the California Department of Education, Audits & Investigations Division and/or the California Department of Social Services reviews the organization's audit report submission in accordance with California Code of Regulations, Title 5, Section 18072.

If questions arise during the audit report review process, the reviewer will contact the agency's Certified Public Accountant (CPA). Please provide an email address for the CPA or CPA firm that conducted the agency's audit.

CPA Firm / CPA Name: _____

Email: _____

Required Contents

1. Does the audit report include the following? (*Note: This information is required for all agencies. For more information, reference the CDE Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):
 - a. Independent Auditor's Report, based on Generally Accepted Auditing Standards and Government Auditing Standards Yes No
 - i. Does the Independent Auditor's Report indicate whether the supplementary information is fairly presented in all material respects in relation to the financial statements as a whole? Yes No
 - b. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards Yes No
 - c. Statement of Financial Position / Balance Sheet Yes No
 - d. Statement of Activities / Income Statement Yes No
 - e. Notes to Financial Statements Yes No

- f. Schedule of Expenditures of Federal and State Awards Yes No
- g. Schedule of Findings and Questioned Costs..... Yes No
- h. Combining Statement of Activities Yes No
- i. Schedule of Claimed Administrative Costs Yes No
- j. Schedule of Claimed Equipment Expenditures..... Yes No
- k. Schedule of Claimed Expenditures for Renovations and Repairs Yes No
- l. Audited Attendance and Fiscal Report (AUD) form for each child development program contract..... Yes No
- m. Notes to the Child Development Contract Supplemental Information..... Yes No

2. If applicable, does the audit report submission include the following (*Note: This information is only required under certain circumstances. For more information reference the CDE Audit Guide: Chapter 200, Exhibit A; Chapter 300; and Illustrative Contractor Audit Report*):

- a. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (2 CFR Part 200, Subpart F) Yes No N/A
- b. Management letter and/or internal control communication letter Yes No N/A
- c. Statement of Cash Flows Yes No N/A
- d. Statement of Functional Expenses Yes No N/A
- e. Schedule of Claimed Start-Up Expenses Yes No N/A
- f. Audited Reserve Account Activity Report (AUD 9530-A) Yes No N/A
- g. Reconciliation of fiscal year not ending on June 30..... Yes No N/A
- h. Reconciliation of CD Reporting to GAAP Reporting..... Yes No N/A
- i. An audit report that includes all required information for any agencies that the contractor entered into a subcontract for early learning and care services with (see FT&C Section I – Definitions)..... Yes No N/A

AUDs and Financial Statements

3. Were all AUDs prepared on the correct fiscal year's form?..... Yes No
4. Are all pages of the AUD form(s) included? Yes No
a. If not, was the appropriate box marked to explain why the pages were omitted? Yes No N/A
5. Does each AUD's column A agree to column C of the year-end CDNFS report?..... Yes No
6. Do each AUD's total expenses claimed for reimbursement and total supplemental expenses trace to and agree with the amounts reported on the Schedule of Expenditures by State Categories?..... Yes No
7. For each contract, do the total expenses on the Schedule of Expenditures by State Categories trace to and agree with the total expenses on the Combining Statement of Activities or any applicable expense reconciliation schedules presented in the report?..... Yes No
8. Does the total revenue and expenses on the Combining Statement of Activities (CSA) trace and agree to the Statement of Activities?..... Yes No
9. Does each AUD's revenue related to reimbursable expenses trace to and agree with the Combining Statement of Activities or other Statement? Yes No

Capitalized Expenses

10. Are all capitalized expenditures using child development funds identified in the Schedule of Claimed Expenditures for Renovations & Repairs or Schedule of Claimed Equipment Expenditures schedules? (Note: "Capitalized Equipment" is defined by the FT&C as equipment with a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or \$5,000, including tax)..... Yes No
11. Do capitalized equipment expenses on AUD line items 6400, 6500 and/or start-up expenses trace to and agree with the Schedule of Claimed Equipment Expenditures? Yes No
12. Do other capital outlays, line item 6100/6200 on the AUD, trace to and agree with the Schedule of Claimed Expenditures for Renovations & Repairs? Yes No

13. Did the agency obtain preapproval for items expensed in line item(s) 6100/6200, 6400 and/or 6500? Yes No N/A
a. If not, please explain (attach additional pages if necessary):

14. If the agency has Child Care Facilities Revolving Fund or California Renovation and Repair loan repayments, are the expenditures correctly reported in line 6100/6200? Yes No N/A

Indirect and Administrative Costs

15. If the agency has an approved indirect cost rate, is it accurately reported on the AUD(s)? Yes No N/A
16. If indirect costs are claimed, are they within the maximum indirect cost rate of the lesser of its approved rate or ten percent (10%)? Yes No N/A
17. If indirect costs were reported, does the indirect cost amount agree to the indirect costs amount reported on the Schedule of Claimed Administrative Costs? Yes No N/A
18. Do the total administrative costs reported on the AUD(s) trace to and agree with the total expense amounts reported on the Schedule of Claimed Administrative Costs? Yes No

Enrollment, Attendance, and Assurances on Center-Based AUDs

19. Is the number of days of enrollment the same or greater than the number of days of attendance reported on the AUD(s)? Yes No N/A
20. Were the two assurance certifications checked on the AUD? Yes No N/A

Audited Reserve Account Activity Report

21. Does each Audited Reserve Account Activity Report either identify interest earned on reserve funds or explain in the comments section why no interest is reported? Yes No N/A
22. If there was a reserve account ending balance, was it correctly reported in the Statement of Financial Position/Balance Sheet as a liability? Yes No N/A

Revenue

23. If Child and Adult Care Food Program (CACFP) expenses were allocated to a child development contract, was the related revenue reported as restricted income? (Note: Reported revenue should be the lesser of the amount of CACFP funds paid to an agency or the amount of expenses allocated to the contract) Yes No N/A

24. Was all revenue correctly classified as restricted or unrestricted in the AUD form(s)? Yes No N/A

25. If the agency received funds from the Paycheck Protection Program, were any funds used for a child development program reported as restricted income? Yes No N/A

26. If non-certified children are reported in the AUD(s), were non-certified family fees reported? Yes No N/A

a. If not, please explain (attach additional pages if necessary):

Completed By: _____

Title: _____

If necessary, add additional comments here: