

POLICY

INDEPENDENT FINANCIAL AUDITS

4010

A. The Board of Directors shall approve all contracts with independent financial auditors, utilizing recommendations from the Chief Executive Officer and the Chief Financial Officer.

B. The Chief Executive Officer and the Chief Financial Officer shall ensure that the following preparations are for the financial audit:

- Compiling all requested documentation as early as possible for review by the auditors
- Arranging sufficient work space, which is convenient to records and files and the personnel responsible for the files
- Ensuring that key staff will be present during the field work
- Assisting the financial auditors in the preparation of work papers

C. Financial Statement Format

1. The basic financial statements which are examined in an audit are the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Fund Balance, and the most recent UDS Report.
2. The Bullhook Community Health Center Board of Directors shall determine the format of the financial statements. The format shall satisfy both the internal and external financial reporting needs of the Bullhook Community Health Center.

D. Independent Financial Auditor's Report

1. The independent financial auditor's report shall be the mechanism through which the auditor expresses an opinion or, if circumstances require, disclaims an opinion on such items as:
 - a. The fairness presented in the financial statements relating to the Bullhook Community Health Center's present financial position
 - b. The result of operations and changes in financial position
 - c. The conformity with generally accepted accounting principles

E. Independent Financial Auditor's Management Letter

1. The independent financial auditor's management letter describes in reasonable detail the objectives and limitations of internal control system implemented at the Bullhook Community Health Center.
2. The auditor's management letter should indicate whether any identified weaknesses relate to procedures or the implementation of those procedures. The auditor's management letter may also include recommendations for improving procedures, comments concerning corrective action taken or in process, or other appropriate comments related to the financial audit process.

F. Distribution of the Financial Audit Report and Management Letter

1. The independent financial audit is performed primarily for the governing Board of Directors. Therefore, the auditors should formally present their audit report and management letter to the Governing Board of Directors and/or a formally designated Committee of the board.
2. Distribution of the financial audit report and related documents shall be made to:
 - a. The Governing Board of Directors
 - b. The Executive Director and Financial Manager
 - c. The Federal Audit Clearinghouse, Bureau of the Census
 - d. The Office Grants Management, Bureau of Primary Health Care
3. The Board of Directors must approve the entire financial audit report before it is released to any person or agency.

 DATE 2-16-17
 CHIEF EXECUTIVE OFFICER

 DATE 2-13-17
 CHAIR, BOARD OF DIRECTORS

Date first adopted	12/19/2012
Date Revised/QI Board approval	12/08/2012, 01/25/2017
New date adopted/Board of Directors approval	12/19/2012, 02/13/2017