

Executive Summary

The objectives of the Combined Federal Campaign (CFC) Audit Guide (Guide) are to improve management and oversight of the CFC and the accountability of Principal Combined Fund Organizations (PCFOs). PCFOs are non-profit organizations that serve as fiscal agents for campaigns locally. Their work is overseen by volunteer Local Federal Coordinating Committees (LFCCs) which serve as a “board of directors” for each CFC. The Guide provides authoritative guidance to ensure that:

- PCFOs provide copies of their financial statements to verify fiscal integrity of their organization. The levels of financial receipts within a campaign will determine the type of financial statements required. All campaigns with receipts over \$150,000 must submit audited financial statements. Campaigns that raise less than \$150,000 may submit financial statements reviewed by a certified independent public accounting firm (IPA).
- PCFOs engage an IPA to perform specified agreed-upon procedures (AUP) on CFC activity and the control environment. If any deficiencies are noted, the PCFO will be required to prepare a corrective action plan. For campaigns over \$1 million, CFC-only audited financial statements are also required.
- LFCCs perform a compliance assessment of the local campaign.

The Guide was designed to generate better and more financial information on all aspects of the PCFO by providing:

- OPM assurance that LFCCs and PCFOs are complying with the CFC regulations and that all campaign organizations have adequate internal controls over their CFC related operations; and
- CFC donors and other stakeholders assurance that all local campaigns meet their high expectations of accountability.

Related reports are due to the LFCC by August 1, 2006, with copies to OPM by September 15, 2006.

Significant changes from the prior year’s Guide are:

1. The 2004 Campaign Distribution Schedule included in Appendix B (for those campaigns under \$1 million) and in Appendix C (for those campaigns \$1 million or more) in the 2006 CFC Audit Guide is revised to change the formula for testing shrinkage and better streamline the testing of one-time payments. Associated steps have been changed (Ch. III – Receipt and Disbursement of Funds – Steps 5 & 7).

2. Ch. III – Pledge Card Tracking System Section – Step 1 – Changed the number of pledge cards to test depending upon the size of the campaign. For campaigns over \$1 million, the number was increased to 50. For campaigns between \$150,000 and \$999,999, the number remained at 25. For campaigns less than \$150,000, the number was reduced to 15.
3. Ch. III – PCFO Budget and Administrative Expense – Step 7 – Reduced the number of expenses tested for smaller campaigns. Campaigns over \$1 million remain at 10. For campaigns between \$150,000 and \$999,999, the number was reduced to 8. For campaigns under \$150,000, the number was reduced to 5.
4. Ch. III – Receipt and Disbursement of Funds – Step 4 – Removed the step to test the payroll office statements.