

Attachment 3

Shelter Cove timber Sale Financial Audit Points for Consideration

Revenue Tracking:

- Verify the accuracy of timber sales contracts.
- Confirm correct measurement and reporting of timber volume sold.
- Ensure all payments received are recorded and reconciled.
- Review any outstanding accounts receivable related to timber sales.

Cost Monitoring:

- Track all costs associated with the harvest, including labor, equipment, and supplies.
- Monitor transport and logistics expenses.
- Validate invoices from contractors and suppliers.
- Check for proper allocation of overhead costs.

Compliance and Reporting:

- Ensure royalties and stumpage fees are calculated and paid correctly.

Asset Management:

- Assess the current value of standing timber and harvested stock.

Risk Management:

- Evaluate insurance coverage for the operation.
- Review procedures for handling market fluctuations and price risks.
- Analyze financial exposure to environmental liabilities.

Internal Controls:

- Check for proper authorization of transactions.
- Assess the effectiveness of internal controls over financial reporting.
- Identify any potential conflicts of interest.

Audit Trail:

- Ensure all financial transactions are properly documented.
- Maintain a clear audit trail for future verification.