

## Attachment 6

### 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.