

COMMUNITY COLLEGE _____ 2018 Audit Programs _____

June 30, 2018

AUDIT STRATEGY
RISK ASSESSMENT SUMMARY

ACCOUNT BALANCE/ CLASS OF TRANSACTION	MAT. BAL. (y/n)	MAJ. PROG. (y/n)	Inherent Risk				CR	TOC (y/n)	RMM	Allowable DR
			High	Mod	Low	Over all				
Statement of Net Position/ Balance Sheet										
Cash										
Investments										
Taxes Receivable										
Accounts Receivable										
Deferred Outflows of Resources										
Prepaid Expense										
Inventories										
Capital Assets										
Accounts Payable										
Deferred Inflows of Resources										
Other Liabilities										
Compensated Absences										
Long Term Debt										
Other:										

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			High	Mod	Low	Over all				
Statement of Activities/ Statement of Revenues, Expenditures and Changes in Fund Balances										
Property Tax										
Revenue - Intergovernmental										
Revenue – Proprietary										
Other Revenue										
Expenditures										
Expenditures - Procurement/Credit Cards										
Payroll										
Transfers										
Depreciation										
Financial Reporting (Presentation and Disclosure)										
Other:										

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AUDIT STRATEGY
RISK ASSESSMENT SUMMARY

ACCOUNT BALANCE/ CLASS OF TRANSACTION	IDENTIFIED RISKS and RELEVANT ASSERTION(S)	OPINION UNIT(S) APPLICABLE	RESPONSE TO RISK and AUDIT APPROACH
Statement of Net Position/ Balance Sheet			
Cash			
Investments			
Taxes Receivable			
Accounts Receivable			
Deferred Outflows of Resources			
Prepaid Expense			
Inventories			
Capital Assets			
Accounts Payable			
Deferred Inflows of Resources			
Other Liabilities			
Compensated Absences			
Long Term Debt			
Other:			

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ACCOUNT BALANCE/ CLASS OF TRANSACTION	IDENTIFIED RISKS and RELEVANT ASSERTION(S)	OPINION UNIT(S) APPLICABLE	RESPONSE TO RISK and AUDIT APPROACH
Statement of Activities/ Statement of Revenues, Expenditures and Changes in Fund Balances			
Property Tax			
Revenue - Intergovernmental			
Revenue – Proprietary			
Other Revenue			
Expenditures			
Expenditures - Procurement/Credit Cards			
Payroll			
Transfers			
Depreciation			
Financial Reporting (Presentation and Disclosure)			
Other:			

COMMUNITY COLLEGE 2018 Audit Programs

June 30, 2018

AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**ASSERTIONS:****Account Balances:**

E = Existence R = Rights and Obligations C = Completeness
 V = Valuation and Allocation A = All Assertions

Classes of Transactions:

O = Occurrence C = Completeness AC = Accuracy
 CO = Cut off CL = Classification A = All Assertions

Presentation and Disclosure:

O = Occurrence and Rights and Obligations C = Completeness
 U = Classification and Understandability V = Accuracy and Valuation
 A = All Assertions

CR = Control Risk**RMM = Risk of Material Misstatement****TOC = Test of Controls****DR = Detection Risk****Audit Risk is assessed at LOW for all account balances and classes of transactions****OPINION UNITS:****GA** Governmental Activities**BTA** Business Type Activities

Major Funds:

G General Fund

AR Aggregate remaining funds**AD** Aggregate discretely presented component units**All** All opinion units

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June 30, 2018

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RISK ASSESSMENT SUMMARY

ASSERTION DEFINITIONS:

Account Balances:

- E = Existence – assets, deferred outflows of resources, liabilities and deferred inflows of resources exist.
- R = Rights and Obligations – the College holds or controls the rights to assets and liabilities are the obligations of the College.
- C = Completeness – all assets, deferred outflows of resources, liabilities and deferred inflows of resources which should have been recorded have been recorded.
- V = Valuation and Allocation – assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances and net position are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are appropriately recorded.

Classes of Transactions:

- O = Occurrence – transactions and events which have been recorded occurred and pertain to the College.
- C = Completeness – all transactions and events that should have been recorded have been recorded.
- AC = Accuracy – amounts and other data relating to recorded transactions and events have been recorded appropriately.
- CO = Cut off – transactions and events have been recorded in the correct accounting period.
- CL = Classification – transactions and events have been recorded in the proper accounts.

Presentation and Disclosure:

- O = Occurrence and Rights and Obligations – disclosed events have occurred and pertain to the College.
- C = Completeness- all disclosures which should have been included in the financial statements have been included.
- U = Classification and Understandability – financial information is appropriately presented and described and disclosures are clearly expressed.
- V = Accuracy and Valuation – financial and other information are disclosed fairly and at appropriate amounts.

COMMUNITY COLLEGE 2018 Audit Programs

June 30, 2018

AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**INHERENT RISK FACTORS:**

1. Prior audit history indicates little or no adjustment required.
2. Prior audit history indicates significant adjustments.
3. Personnel recording transactions are competent and have been performing duties for several years.
4. New personnel/poorly trained personnel.
5. Transactions are relatively simple to record.
6. Transactions require significant calculations prior to recording.
7. Relatively few transactions.
8. Significant accounting estimates required.
9. Low susceptibility to misappropriation.
10. Highly susceptible to misappropriation.
11. Relatively immaterial.
12. Complexity of matters likely to result in misstatement.
13. Stable transaction activity.
14. High fluctuation in timing of activity.
15. Low potential for omitted activity.
16. High potential for omitted activity.
17. Prior audits included insignificant findings or no findings.
18. Prior audits included significant findings.

COMBINED RISK ASSESSMENT AND ALLOWABLE DETECTION RISK:

<u>CONTROL RISK</u>				Combined risk of material misstatement (RMM)
<u>INHERENT RISK</u>	MAXIMUM	MODERATE	LOW	
HIGH	High	Moderate	Low	
MODERATE	Moderate	Low	Low	
LOW	Low	Low	Low	

<u>COMBINED RISK OF MATERIAL MISSTATEMENT (RMM)</u>	<u>ALLOWABLE</u>	
	<u>DETECTION RISK</u>	
	Low	
	Moderate	
LOW	High	

ARE THERE ANY SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES KNOWN AT THE TIME OF PLANNING THAT MAY AFFECT THE PLANNED AUDIT APPROACH? YES NO

If Yes, document the account balance or class of transaction affected and explain.

COMMUNITY COLLEGE 2018 Audit Programs

June 30, 2018

AUDIT STRATEGY
RISK ASSESSMENT SUMMARY**Planning Approach:**

We have documented the material account balances and classes of transactions and identified significant risks, if any, at the relevant assertion level. We have determined and documented the risk of material misstatement, specific responses to the risks identified, an overall audit approach and have modified the audit program procedures accordingly.

Significant Changes to Overall Audit Strategy:

Document significant changes made during the audit to the overall audit strategy and reasons for such changes. These change, if any, should be documented on the risk assessment summary or listed below:

Completion - Overall Audit Strategy Conclusion:

We have reviewed the audit procedures performed for each account balance and class of transaction and have determined these procedures agree with and satisfy the planned audit approach.

	Initials and Dates			
	Planning		Completion	
	Initials	Date	Initials	Date
Incharge	_____	_____	_____	_____
Manager	_____	_____	_____	_____
Independent Reviewer	_____	_____	_____	_____