

COMMUNITY COLLEGE 2018 Audit Programs

June 30, 2018

INVENTORY

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Inventory reflected in the accounts represents a complete listing of products, materials and supplies owned by the College and such assets are physically on hand or stored at outside locations at the Statement of Net Position date. (1,2,3)					
B. Inventory listings are accurately priced, extended, footed and the totals are properly reflected in the accounts. (4)					
C. Inventories are properly classified in the Statement of Net Position and disclosure is made of pledged or assigned inventory and the methods used to value inventory. (10,11,12,13)					
Audit Procedures:					
A. Inventory Observation	A				
1. Test count a selection of items. Count items of larger dollar and quantity amounts.					
2. Trace amounts of inventory per listing to amounts on hand.					
3. Trace amounts of inventory on hand to amounts on listing.					
4. Obtain cut-off information.					
5. If inventories were not observed, document reason(s).					
B. Determine all material inventories are recorded by the College (bookstore, cafeteria, trade and industry parts, livestock, grain, supplies, carpentry houses and other projects.)	A				
C. Determine if a physical count/observation was performed on or near year end:					
1. If the auditor was not present for the physical inventory, consider materiality, scope limitation and alternate procedures.					
2. If auditor was present during the physical inventory, review and incorporate observation work papers.					
a. Trace the test counts of the auditor into the College's final inventory listing.	A, B				
b. Test extensions and foot the totals.	B				
c. Review list for reasonableness.					

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