

ENTITY 2020 Audit Programs

June 30, 2020

AUDIT STRATEGY
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 Entity holds or controls the rights to assets and liabilities are the obligations of the Entity.
- 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 Entity.
- C = Completeness – all transactions and events which 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 Entity.
- 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.

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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>INHERENT RISK</u> | <u>CONTROL RISK</u> | | | Combined risk of material misstatement (RMM) |
|----------------------|---------------------|----------|-----|--|
| | 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 DETECTION RISK</u> |
|---|---------------------------------|
| HIGH | Low |
| MODERATE | 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.

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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 by assertion, 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 the reasons for such changes, including any changes to the risk of material misstatement by assertion. These changes, 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. Unless as noted above, there were no changes in the risk of material misstatement by assertion.

| | Initials and Dates | | | |
|-------------|--------------------|------|------------|------|
| | Planning | | Completion | |
| | Initials | Date | Initials | Date |
| Incharge | | | | |
| Manager | | | | |
| Independent | | | | |
| Reviewer | | | | |