

**ENTITY**    2020 Audit Programs

June 30, 2020

**AUDIT STRATEGY**

The attached audit strategy is to be used to document the following:

- Auditor's understanding of certain preliminary information regarding the Entity and its environment for planning the audit.
- Auditor's fraud risk assessment, including identification of fraud risk factors.
- Identification of material account balances and classes of transactions.
- Determination of the risk of material misstatement at the financial statement and relevant assertion levels.
- Auditor's response to the risks identified.
- Identification of the federal programs.
- Determination of major federal programs and the applicable compliance requirements.
- Applicability of account balances and classes of transactions to federal programs.

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| <b>PROCEDURE</b>   | <b>YES</b> | <b>NO</b> | <b>REMARKS</b> |
|--|------------|-----------|----------------|
| 1. Did the prior year report on the financial statements include departures from an unmodified opinion?  |            |           |                |
| 2. Did the prior year audit identify any significant deficiencies or material weaknesses?  |            |           |                |
| 3. Have various account balances or transactions required significant adjustments in prior audits?   |            |           |                |
| 4. Was the approach in the prior year primarily substantive?   |            |           |                |
| 5. Were any significant errors or instances of fraud noted in the prior audit?   |            |           |                |
| 6. Is there any indication there could be substantial doubt about the Entity's ability to continue as a going concern?                                   |            |           |                |
| 7. Does the audit require special expertise?   |            |           |                |
| 8. Are specialized skills needed to determine the effect of IT on the audit, to understand the IT controls, or to design tests of controls?              |            |           |                |
| 9. Are there any new accounting and/or auditing pronouncements that may affect the current audit?  |            |           |                |
| 10. Are there any specialized accounting practices or principles applicable to the Entity? (i.e. pensions)   |            |           |                |
| 11. Have there been any significant changes in accounting practices for the Entity?  |            |           |                |
| 12. Are there any economic conditions or recent developments that affected the Entity's operations? (inflation, interest rates, technological changes)   |            |           |                |
| 13. Are there any special regulatory or reporting requirements that apply? (Single Audit)  |            |           |                |
| 14. Is the Entity economically dependent on a major industry or company such that a change in the industry or company would adversely affect the Entity? |            |           |                |
| 15. Has there been a change in state or federal funding that would significantly impact the operations of the Entity?                                    |            |           |                |
| 16. Is any aspect of the Entity profit motivated?  |            |           |                |
| 17. Have there been any significant changes in the function or responsibilities of the Entity?   |            |           |                |
| 18. Do the financial statements require use of significant accounting estimates or fair value determinations?  |            |           |                |
| 19. Does the Entity have multiple locations for significant operations?  |            |           |                |

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| <b>PROCEDURE</b>  | <b>DONE<br/>BY</b> | <b>REMARKS</b> |
|---|--------------------|----------------|
| <p>20. Complete the fraud risk assessment form.</p> <p>21. Document the following on the audit strategy forms:</p> <ul style="list-style-type: none"> <li>a. Identify material account balances and classes of transactions. Consider preliminary planning materiality as well as qualitative matters such as volume of transactions, susceptibility of assets to theft, etc.</li> <li>b. Assess the inherent risk by assertion for each of the material account balances and classes of transactions identified above and document the results.</li> <li>c. Assess control risk.</li> <li>d. Indicate whether tests of controls are applicable or comment on whether controls do not exist or cannot be tested.</li> <li>e. Considering the understanding obtained of the Entity (including its environment and internal controls) and the determination of inherent and control risks, assess the risks of material misstatement (whether due to fraud or error) at financial statement and relevant assertion levels and assess detection risk.</li> <li>f. Document overall responses to the risks identified and the design of further audit procedures (audit approach).</li> <li>g. If Single Audit is applicable, identify the major federal programs using the Audit Strategy - Single Audit form.</li> <li>h. If Single Audit is applicable, identify the material account balances and classes of transactions applicable to major federal programs.</li> <li>i. If Single Audit is applicable, identify the compliance requirements applicable to each major federal program.</li> </ul> <p>22. Identify other matters considered in determining the audit strategy.</p> <p>23. Identify any matters that could increase the risk of material misstatement of the financial statements due to errors, fraud and other non-compliance.</p> |                    |                |