

AGENCY 2023 Audit Programs

June 30, 2023

CASH

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Cash on the Statement of Net Position is on hand, in transit or on deposit with third parties (depositories) in the name of the Agency. (1,2) B. All cash of the Agency is included in the Statement of Net Position. (3) C. Depositories are legally acceptable, deposits are adequately insured or adequate collateral has been pledged by depositories for the Agency's deposits and separate depository accounts are maintained for each fund for which required D. Cash balances reflect a proper cut-off of receipts and disbursements and are stated at the correct amounts. (4) E. Cash balances are presented properly by fund, restricted cash is presented separately by fund and related disclosures are adequate. (10,11,12,13) Audit Procedures: A. Cash On Hand: <ol style="list-style-type: none"> Determine locations, custodians and probable amounts of all cash funds and select funds to be counted. For funds selected, count and list all cash and cash items. Obtain custodian's signature for return of cash. Reconcile total to established balance. Determine and document reason for any unusual items, such as employee and officials checks. Ascertain reason for holding checks not deposited immediately. Determine all checks were properly endorsed. Determine frequency of petty cash replenishment. Determine petty cash amounts are reasonable. 					
	A,B, D				

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B. Undeposited Receipts:	A,D				
1. If there is a significant amount of undeposited receipts, determine whether prenumbered receipts were prepared at the end of the year and subsequent deposit agrees with books and bank.					
2. Obtain explanations for variances and document findings/conclusions.					
C. Cash In Bank:					
1. Identify all depositories which the Agency transacted business with during the period under audit, including banks from which certificates of deposit and Treasury Bills were purchased.	B				
2. Identify which individual funds are required by law or contractual agreement to maintain separate bank accounts, ascertain separate bank accounts are maintained and note any withdrawal restrictions or other commitments which may exist.	C				
3. Using the standard bank confirmation form, request confirmation as of the Statement of Net Position date for each depository account identified (including those closed during year). Obtain signature from the Agency on confirmation form before mailing.	A,B, D				
4. Confirm, as deemed necessary, details of cash related matters such as authorized check signers, compensating balance requirements, restrictions on withdrawals of funds, etc.					
5. If practical, obtain cut-off bank statements and paid checks directly from the bank for ____ days following the Statement of Net Position date.					
6. If the cut-off statement is not received directly from the bank, obtain the following months bank statement and paid checks and perform the following procedures to prove the bank statement:	D				
a. Inspect the bank statement for errors or erasures and determine the clerical accuracy of the statement totals.					
b. Foot the paid checks and deposit slips supporting the bank statement and compare the totals to the corresponding totals on the bank statement.					

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<p>(If the statement includes a voluminous number of paid checks, if possible, remove five checks at random and have the client foot the balance of the paid checks to a "blind total." Add your five checks to the client's total and tie to the bank statement.)</p> <p>c. Examine the paid date of each check to ascertain the check was paid by the bank during the period covered by the bank statement.</p> <p>d. Ascertain the opening balance equals the closing balance from the previous bank statement.</p> <p>e. If the bank returns imaged canceled checks, ensure both front and back are imaged per Chapter 554D.114(5) of the Code of Iowa.</p> <p>7. Obtain copies of the year end bank reconciliations.</p> <p>a. Test clerical accuracy.</p> <p>b. Trace the bank balance to the bank confirmation received from the bank.</p> <p>c. Using the subsequent period bank statement and canceled checks (step 5):</p> <p>1) Trace deposits in transit to subsequent bank statement and to cash receipts records. Examine the receipted deposit slip to determine whether the funds were deposited on, or prior to, the Statement of Net Position date and whether there was any extraordinary delay between the date received per books and date deposited per bank.</p> <p>2) Test checks dated on or before the Statement of Net Position date to determine they appear on the list of outstanding checks.</p> <p>3) Investigate any large checks on the list of outstanding checks which did not clear the bank during the cut-off period.</p> <p>4) Investigate any other significant reconciling items.</p> <p>d. If checks are outstanding greater than three years, ensure their disposition complies with Chapter 556 of the Code of Iowa.</p>	A,B, D				

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8. Review receipts, etc., issued shortly before and after year-end to determine all cash has been recorded in the proper period.	D				
9. Review the cash receipts and disbursements records for each bank account for a reasonable period (normally five business days before and after the Statement of Net Position date) to identify interbank transfer checks and deposits, then visually determine recording in proper period. Specifically, determine:	D				
a. Transfers between each account were recorded in the same period, i.e., all before year end transfers were recorded in each account before year end, and vice versa for post year end transfers.					
b. Transfers not clearing the bank in the same accounting period as they were initiated are properly reflected as reconciling items on the bank reconciliations.					
NOTE: If interbank transfers during this period are too numerous to make a visual determination feasible, prepare a transfer schedule.					
10. Depository Resolutions:					
a. Obtain a copy of the written resolution approving each depository and the maximum amount which may be kept on deposit, as required by Chapter 12C.2 of the Code of Iowa.	C				
11. Determine the allowability of any sweep accounts.					
12. Determine if uninsured public funds deposited in a credit union were secured by a letter of credit in an amount at least 110% of the uninsured amount.					
13. Identify and determine the propriety of any cash pledged by the Agency as collateral or otherwise restricted.	C				
14. Determine the Agency has ensured all public funds deposits with banks have met the requirements of Chapter 12C.22 of the Code of Iowa (Pledging of Public Funds Program).					
D. Cash Balances on Deposit with the State Treasurer:					
1. Determine if cash balances on deposit with the State Treasurer have their interest income assigned to other funds or retain their interest income.					

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2. If applicable, record any accrued interest revenue at year-end. (Memo is provided by TOS audit In-charge.)					
3. Prepare appropriate footnote disclosure for inclusion in audit report.					
E. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.					
F. Determine whether cash balances are properly classified and disclosures are adequate.	E				

ALTERNATE/ADDITIONAL PROCEDURES:CONCLUSION:

We have performed procedures sufficient to achieve the audit objectives for cash and the results of these procedures are adequately documented in the accompanying workpapers.