

AGENCY 2023 Audit Programs

June 30, 2023

**RECEIPTS/REVENUES**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<b>Audit Objectives and Related Assertions:</b>  <b>A. Only revenues available and measurable in the fiscal year have been recorded and are valid. (5,8)</b>  <b>B. All revenues available and measurable in the fiscal year have been recorded. (6,8)</b>  <b>C. The Agency has satisfied the relevant legal requirements to receive all revenues recorded.</b>  <b>D. Revenues have been billed or charged and recorded at the correct amounts. (7)</b>  <b>E. Revenues are properly classified in the financial statements and related disclosures are adequate. (9,10,11,12,13)</b>  <b>Audit Procedures:</b>  <b>A. General:</b> 1. Account for numerical sequence of receipts. 2. If applicable, on a test basis, foot and cross-foot the cash receipts journal and trace totals to the general ledger. 3. Determine if people handling money are properly bonded and statutory requirements in Chapter 64.6 of the Code of Iowa are properly followed.  <b>B. Substantive Test - Interim period:</b> 1. Identify the ISIs and select a sample of receipts to be tested (document method used to select sample). (For Institutions Only: Exclude transaction numbers beginning with 413 (County Billings). These will be tested at DHS). Examine these items and determine: a. Receipts are properly classified. 1) Determine the 3-digit revenue source code rolls up to the proper Statement of Activities revenue classification. (For the current ACFR 3-digit source code roll ups, see H:\Audit Resources\GASB 34\State Policies\revenue source classifications.xls.) 2) If the roll up of the on 3-digit revenue source code does not appear to be correct, determine the Agency has properly notified the GAAP Team of the need for a different classification.					
	B				
	A,C,D,E				

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<ul style="list-style-type: none"> <li>b. Receipts are recorded in the proper fund/account.</li> <li>c. Receipts are recorded in the proper fiscal year.</li> <li>d. Revenues collected are in accordance with established rates.</li> <li>e. Receipts are supported by appropriate documentation.</li> <li>f. Amount received is accurately recorded.</li> </ul>					
C. For the remainder of the year:					
1. Update risk assessment.					
2. Examine ISIs for items in B.1.					
3. Perform analytical procedures as substantive procedure or test transactions, if more efficient.					
D. Select a sample of receipts and trace them through the transaction cycle from the point of entry to deposit with the Treasurer and recording in the I/3 system.					
1. Trace to initial list of receipts prepared by mail opener.	A,B,D				
2. Trace to prenumbered receipts.	A,B				
3. Trace to validated transmittal letter ensuring receipts were deposited properly.	A,D				
a. Determine receipts were deposited intact.					
b. Determine receipts were deposited promptly in accordance with Chapter 12.10 of the Code of Iowa.					
E. Consider additional testing for licenses, fees and permits, such as:					
1. Obtain a list of the type of licenses, fees and permits issued by the Agency and the rates charged.					
2. Determine if amounts charged are in accordance with statutory rates (if not tested in B.1.d.).	C				
3. Compute the units issued times current rates and compare to recorded revenue.	B				
4. Select a sample of potential holders of licenses or permits or those ordinarily required to pay fees (i.e. applications or other independent sources) and trace to collections.	B				
5. Reconcile inventories of licenses and permits to revenues, where appropriate.	B				

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F. Consider additional testing for charges for services/fines, such as:					
1. Review rate schedules and authorization for charges.	C				
2. Where charges are based on variable quantities or volume of usage, test records of usages.	B,D				
3. Test computations of billings and determine if appropriate rates were used.	D				
4. Determine if periodic reconciliations of billings, collections and unpaid amounts are prepared.	A,B				
a. If not available, comment accordingly.					
b. If available, apply procedures to determine completeness of reconciliations.					
c. Comment accordingly if variances have not been adequately resolved.					
5. Review Agency's procedures for accounting for fines and determine tickets are being properly disposed of through collections of cash or authorized dismissal.	B				
G. Identify all sources of federal receipts. Funds may be received directly from a federal agency or indirectly as pass-through funds from other state and local governments.	A,D				
1. Determine the method of revenue recognition and whether it has been consistently applied.					
2. Confirm federal receipts with appropriate federal agency and/or state and local government.	A,B,C,D				
a. Compare confirmation to receipts recorded in the Agency's ledgers.					
b. Reconcile any differences.					
c. If federal receipts are not confirmed, document why (i.e., inefficient, immaterial).					
3. Alternative procedure to confirmation:	A,B,D				
a. Identify other sources and reconcile amounts on requests for reimbursement/advance documents to receipts recorded in Agency ledgers.					
b. Examine a sample of requests for reimbursement/ advance documents to ensure they are properly accounted for and authorized.					

