

CITY 2018 Audit Programs

June 30, 2018

LIABILITIES/DEFERRED INFLOWS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>Audit Objectives and related assertions:</p> <p>A. Liabilities/deferred inflows of resources at the statement of net position date are properly supported. (1)</p> <p>B. Liabilities/deferred inflows of resources are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (2,3,4)</p> <p>C. Liabilities/deferred inflows of resources are properly recorded, classified and disclosures are adequate. (10,11,12,13)</p> <p>Audit Procedures:</p> <p>A. Current Liabilities</p> <p>1. Obtain or prepare a list of payables and identify amounts as follows:</p> <p>a. Accounts payable.</p> <p>b. Accrued payroll and payroll taxes.</p> <p>c. Due to other funds.</p> <p>d. Due to other governments.</p> <p>e. Contracts payable (including retainage, if applicable).</p> <p>f. Anticipatory warrants.</p> <p>g. Accrued interest.</p> <p>h. Matured portion of accrued compensated absences for governmental funds.</p> <p>i. Estimated losses from loss contingencies (including incurred but not reported claims relating to self insurance funds).</p> <p>j. Customer deposits payable.</p> <p>k. Matured portion of termination benefits for governmental funds.</p> <p>1. Other (list):</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>					

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2. Foot listings for accuracy.					
3. Test the accuracy and classification of recorded liabilities by examining supporting documentation.	A,B,C				
B. Determine if deferred inflows of resources meeting the definition of GASB 65 have been recorded:	A,B,C				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					
C. Determine if advances (grant/other funds which have been received but not spent in the current period) from grantors/others meeting the definition of GASB 65 have been recorded:	A,B				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					
D. Compensated Absences					
1. Review the City's policies for earned vacation, sick leave and related FICA/IPERS benefits.					
2. Obtain a summary of compensated absences at June 30 and foot the summary.	A				
3. Determine the amounts have been determined in accordance with the provisions of GASB 16, including salary-related payments such as the employer's share of social security and pension plan contributions, as applicable.	B				
4. Distinguish between:	C				
a. Matured portion for retirements or resignations not paid at June 30 for governmental funds.					
b. Long term portion:					
1) Due within one year.					
2) Due after one year.					
5. Review for reasonableness.	B				
6. Select amounts to test the validity of compensated absences:	A,B,C				
a. Trace to supporting data.					
b. Recalculate hourly rate, number of hours earned and unused and extensions.					

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<p>c. Determine appropriateness of charges to various funds.</p> <p>E. Long-Term Debt</p> <p>1. Obtain or prepare a schedule of long-term debt, including the following:</p> <p>a. General obligation bonds.</p> <p>b. Lease-purchase agreements/capital leases.</p> <p>c. Installment purchase contracts.</p> <p>d. Judgments and claims.</p> <p>e. Compensated absences:</p> <p>1) Portion due within one year.</p> <p>2) Portion due after one year.</p> <p>f. Termination benefits.</p> <p>g. OPEB.</p> <p>h. Pension(s).</p> <p>i. Nonexchange financial guarantees.</p> <p>j. Other (list):</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>2. Determine the reasonableness of the amounts recorded.</p> <p>3. For lease-purchase agreements/capital leases and installment purchase contracts, determine initial proceeds were recorded as an other financing source and a disbursement was recorded in the proper expenditure account.</p> <p>4. Termination benefits</p> <p>a. Review the City's termination benefits plan and determine the plan was properly approved.</p> <p>b. Obtain or prepare a list of employees eligible for termination benefits under the plan and the amount of the City's current year expense and liability as of June 30.</p>	<p>A</p> <p>B</p> <p>A</p>				

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c. Distinguish between:	C				
1) Matured termination benefits not paid at June 30 for governmental funds.					
2) Long-term portion:					
. due within one year.					
. due after one year.					
d. Select a number of eligible employees under the plan to determine if:	B				
1) the employees meet the requirements noted in the policy.					
2) the employees were properly approved for participation in the plan.					
3) the current year expense and liability were properly calculated as of June 30.					
e. Inquire of City personnel about other eligible employees not included in the list.	B				
f. Prepare the necessary footnote disclosure, including:	C				
1) A general description of the termination benefit arrangements, including, but not limited to:					
. Information about the type(s) of benefits provided.					
. The number of employees affected.					
. The period of time over which benefits are expected to be provided.					
2) The costs of termination benefits in the period in which the employer becomes obligated if the information is not otherwise identifiable from the disclosures on the face of the financial statements.					
3) The significant methods and assumptions used to determine the termination benefit liabilities and expenses.					

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F. Unrecorded Liabilities					
1. Perform a search for unrecorded liabilities, including the following sources, and schedule findings to show the effect of the potential adjustment on operations or financial position:	B				
a. Examine files of receiving reports unmatched with vendors' invoices, searching for significant items received on or before the balance sheet date.					
b. Inspect files of unprocessed invoices and vendors' statements for unrecorded liabilities.					
c. Review the cash disbursements journal for disbursements after the balance sheet date. Obtain and examine supporting detail for each disbursement of \$ _____ and over and determine accounts payable as of the statement of net position date were properly recorded.					
d. Inquire of responsible City staff about their knowledge of additional sources of unprocessed invoices, unrecorded commitments or contingent liabilities. Indicate who responded to our inquiry in the remarks columns.					
G. 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.					
H. Determine whether liabilities/deferred inflows of resources are properly classified and disclosures are adequate.	C				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					

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<u>CONCLUSION:</u> We have performed procedures sufficient to achieve the audit objectives for liabilities/deferred inflows of resources and the results of these procedures are adequately documented in the accompanying workpapers. Incharge _____ Date _____ Manager _____ Date _____ Independent Reviewer _____ Date _____					