

**CITY** 2018 Audit Programs

June 30, 2018

**AUDIT STRATEGY**  
**RISK ASSESSMENT SUMMARY**

**ASSERTIONS:**

**Account Balances:**

E = Existence                      R = Rights and Obligations                      C = Completeness  
V = Valuation and Allocation                      A = All Assertions

**Classes of Transactions:**

O = Occurrence                      C = Completeness                      AC = Accuracy  
CO = Cut off                      CL = Classification                      A = All Assertions

**Presentation and Disclosure:**

O = Occurrence and Rights and Obligations                      C = Completeness  
U = Classification and Understandability                      V = Accuracy and Valuation  
A = All Assertions

**CR = Control Risk                      RMM = Risk of Material Misstatement**  
**TOC = Test of Controls    DR = Detection Risk**

**Audit Risk is assessed at LOW for all account balances and classes of transactions**

**OPINION UNITS:**

**GA**    Governmental Activities

**BTA**    Business Type Activities

Major Funds:

**G**    General Fund

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**AR**    Aggregate remaining funds

**AD**    Aggregate discretely presented component units

**All**    All Opinion Units

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**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 City holds or controls the rights to assets and liabilities are the obligations of the City.
- 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 City.
- 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 City.
- C = Completeness – all disclosures that 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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**AUDIT STRATEGY**  
**RISK ASSESSMENT SUMMARY****INHERENT RISK FACTORS:**

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 High			
MODERATE				
LOW				

**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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**AUDIT STRATEGY**  
**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, 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. 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.

	Initials and Dates			
	Planning		Completion	
	Initials	Date	Initials	Date
Incharge	_____	_____	_____	_____
Manager	_____	_____	_____	_____
Independent Reviewer	_____	_____	_____	_____