

June 30, 2018

DISBURSEMENTS/EXPENDITURES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Recorded expenditures and cash disbursements are for goods or services authorized and received. (5) B. Expenditures incurred for goods or services have all been identified. (6) C. Expenditures for goods or services have been recorded in the correct fiscal year. (8) D. Expenditures for goods or services and related disbursements have been recorded correctly as to account, fund, period and amount. (7,9) E. Expenditures for goods or services are properly presented, as applicable, in the entity-wide and/or fund financial statements and related disclosures are adequate. (10,11,12,13) Audit Procedures: A. General <ol style="list-style-type: none"> 1. On a test basis, foot and crossfoot the cash disbursements journal and trace total to the Clerk's report. 2. Scan disbursement journal for unusual disbursements. Investigate accordingly. 3. Credit cards: <ol style="list-style-type: none"> a. Determine if the City has established a written policy for the use of credit cards. b. If activity is significant, test selected transactions for propriety and compliance with the policy. 4. Schedule all related party transactions with City officials or employees for comment in accordance with Chapter 362.5 of the Code of Iowa. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include all payments applicable to the period when the individual was an employee or official of the City. Disclose material transactions in the notes to financial statements. 	A				
	A,E				

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<p>B. Disbursements</p> <p>1. Select disbursements for testing the following items:</p> <ul style="list-style-type: none"> a. Disbursement was properly authorized and approved for payment. b. Disbursement was charged to the proper fund. c. Disbursement was charged to the proper disbursement account. d. Disbursement was supported by invoice or contract which was mathematically correct. e. Invoice or other documentation was canceled to prevent reuse. f. Canceled checks or electronically retained check images are properly endorsed and canceled. g. Disbursements for capital assets are included on the capital asset listing, if applicable. h. Signatures were authorized per confirmed list from bank. i. The disbursement appears to meet the test of public purpose. For those items which are questionable, the City should have adequate documentation as to how the expenditure(s) meet the test of public purpose. j. The disbursement is proper under federal laws and regulations, if applicable. <p>2. On a test basis, prepare a workpaper for capital projects and other construction contracts to:</p> <ul style="list-style-type: none"> a. Reconcile original contract to final contract. b. Reconcile total payments to-date by scheduling prior year payments, current year payments, payments due and retainage due. 	<p>A,B,C,D</p> <p>A,D</p>				

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<p>c. Determine projects and contracts were authorized and approved by the governing body.</p> <p>C. Internal Service Funds</p> <p>1. Through analytical procedures or scanning, determine if disbursements appear to be in accordance with the purpose of the fund.</p> <p>2. Determine expenditures from operating funds to Internal Service Funds are correctly charged against the budget.</p> <p>3. For each Internal Service Fund, reconcile total revenues in the Internal Service Fund to contributions or transfers from the operating funds.</p> <p>D. Inquire of management and, when appropriate, those charged with governance, as to the existence of any agreements containing confidentiality clauses.</p> <p>1. Determine if legal counsel agreed to the insertion of the clauses.</p> <p>2. Determine if the agreements were properly approved by the City Council.</p> <p>3. Review the funding source for the payment(s) made under the agreements.</p> <p>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.</p> <p>F. Determine whether disbursements are properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p>	<p>A,B</p> <p>E</p>				

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