

COMMUNITY COLLEGE 2017 Audit Programs

June 30, 2017

REVENUES AND RECEIPTS

| PROCEDURE | OBJ. | DONE BY | W/P REF | N/A | REMARKS |
|---|-------------|--------------------|--------------------|------------|----------------|
| Audit Objectives and Related Assertions: | | | | | |
| A. Only revenues available and measurable in the fiscal year have been recorded and are valid. (5,8) | | | | | |
| B. All revenues available and measurable in the fiscal year have been recorded. (6,8) | | | | | |
| C. The College has satisfied the relevant legal requirements to receive all revenues recorded. (2) | | | | | |
| D. Revenues have been billed or charged and recorded at the correct amount. (7) | | | | | |
| E. Revenues are properly classified in the entity wide statements and/or the fund financial statements and related disclosures are adequate. (9,10,11,12,13) | | | | | |
| Audit Procedures: | | | | | |
| A. General | | | | | |
| 1. Scan ledgers or receipts detail for unusual receipts. Investigate accordingly. | A | | | | |
| 2. Select receipts to be tested. | A,B,C,D,E | | | | |
| a. List receipt number, source of funds, purpose and amount. | | | | | |
| b. Trace posting to income detail. | | | | | |
| c. Determine appropriateness of account classification. | | | | | |
| d. Vouch to supporting documentation, if available. | | | | | |
| e. Trace to validated deposit ticket. | | | | | |
| f. Determine if deposit is made intact on a timely basis. | | | | | |
| B. Tuition and Fees | | | | | |
| 1. Select a number of students from the historical student accounts receivable detail by quarter. List the following: | A,B,C,D | | | | |
| a. Student numbers. | | | | | |
| b. Student name. | | | | | |
| c. Class code. | | | | | |
| d. Resident/non-resident status. | | | | | |
| e. Number of credit hours. | | | | | |
| f. Tuition and fees billed. | | | | | |

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| 2. From the student services permanent records – student grade transcripts, determine the hours for which the selected students received credit. | | | | | |
| 3. Compare number of credit hours per transcript to credit hours per student accounts receivable detail. Investigate variances. | | | | | |
| 4. Determine tuition was properly billed. | D | | | | |
| 5. Obtain schedule of fees for selected time periods from College catalog. | | | | | |
| 6. Determine billings for fees were properly computed. | D | | | | |
| 7. Select a number of students from registrar's office records. List: | | | | | |
| a. Student number. | | | | | |
| b. Student name. | | | | | |
| c. Status. If withdrawn, show date. | | | | | |
| 8. From the registrar's student grade transcripts, determine how many credits the student received and their status. | | | | | |
| 9. From the historical student A/R detail, determine amount billed to student and credit hours. | D | | | | |
| 10. Compare credit hours from step 8 above to credit hours from step 9 above. Investigate variances. | | | | | |
| 11. Determine tuition was properly billed. | D | | | | |
| 12. Consider analytical procedures to substantiate tuition and fees. | A,D | | | | |
| 13. Document/determine scholarship discounts and allowances are reported in accordance with GASB 35. (See NACUBO Advisor Report 2000-5 dated September 8, 2000 for guidance). | | | | | |
| 14. Chapter 260C.14(2) of the Code of Iowa states, "Tuition for residents of Iowa shall not exceed the lowest tuition rate per semester, or the equivalent, charged by an institution of higher education under the state board of regents for a full-time resident student." | C | | | | |
| a. Determine the lowest tuition rate of the institutions. | | | | | |
| b. Determine whether the College complied with the Code section. | | | | | |

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| C. Property Tax | | | | | |
| 1. Confirm total tax receipts by levy directly with the County Treasurer and reconcile levy distribution to general ledger. Investigate variances. | A,B,D,E | | | | |
| 2. Determine if there was any unrecorded property tax revenue and whether adjustments are necessary. | | | | | |
| 3. If the College levies a Retirement Incentive tax, determine and document compliance with the provisions of Chapter 279.46 of the Code of Iowa. | C | | | | |
| 4. If the College levies for insurance according to Chapter 296.7 of the Code of Iowa, determine funds are used for liability-type insurance (not health and/or benefit insurance). | C | | | | |
| 5. If the College levied a voted tax in accordance with Chapter 260C.22(1) of the Code of Iowa, determine the excess of the amount of interest and principal falling due under any loan agreement to the Sinking Fund for the loan before using the proceeds for any other College purpose. | C | | | | |
| 6. If the College levied an equipment replacement tax in accordance with Chapter 260C.28 of the Code of Iowa, determine funds were used only for equipment replacement. | C | | | | |
| D. Tax Abatements | | | | | |
| 1. Obtain the tax abatement calculator provided by the Department of Management and completed by the College. | | | | | |
| 2. Verify the qualifying payments entered into the calculator agree to the College's records. | | | | | |
| 3. Review the tax rates included in the calculator for reasonableness. | | | | | |
| 4. If considered necessary, review any significant tax abatement agreements entered into by the College for any commitments made other than to abate taxes. | | | | | |
| E. Revenue From Other Governmental Sources | | | | | |
| 1. Confirm revenue received from state and federal sources or perform alternate procedures. Reconcile amounts per confirmation with general ledger. | A,B,D | | | | |

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| 2. Determine such funds were recorded in the proper fund and are being used for authorized purposes. | E | | | | |
| F. Sales Tax | | | | | |
| 1. Determine whether sales tax was collected on the appropriate transactions and remitted to the Iowa Department of Revenue in accordance with Chapters 423.2 and 423.3 of the Code of Iowa. | | | | | |
| G. Interest Income | | | | | |
| 1. Determine whether interest earned is being recorded in the proper fiscal year. | A,D | | | | |
| 2. Determine whether interest earned on pooled accounts is being fairly and properly allocated to those funds and accounts from which the interest arose. | E | | | | |
| H. Gifts and Grants | | | | | |
| 1. Review the procedures for receiving and acknowledging gifts and grants. | | | | | |
| 2. Review and evaluate the data underlying gifts, grants and bequests, including gift documents, correspondence, receipt acknowledgements and notification of the grant awards, and compare by type or nature with amounts for prior periods. | A,B,C,D | | | | |
| 3. Note the nature of any restrictions. | C,E | | | | |
| I. Workforce Training and Economic Development Funds | | | | | |
| 1. Determine funds received from the Grow Iowa Values Fund are recorded in the proper restricted fund and used for authorized purposes pursuant to Chapter 260C.18A(2) of the Code of Iowa. | | | | | |
| J. Determine I-Jobs funds received were expended in accordance with the applicable agreement(s) and the College complied with any applicable reporting requirements. | | | | | |
| K. Determine if risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures. | | | | | |
| L. Determine whether receipts/revenues are properly classified and disclosures are adequate. | E | | | | |

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