

LANDFILL 2017 Audit Programs

June 30, 2017

LIABILITIES/DEFERRED INFLOWS

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions: A. Liabilities/deferred inflows of resources at the balance sheet/statement of net position date are properly supported. (1) B. Liabilities/deferred inflows of resources are properly authorized, represent the correct amounts of currently payable items in the proper year and reflect all outstanding obligations. (2,3,4) C. Liabilities/deferred inflows of resources are properly recorded and classified and disclosures are adequate. (10,11,12,13) Audit Procedure: A. Liabilities <ol style="list-style-type: none"> 1. Obtain or prepare a list of payables and identify amounts as follows: <ol style="list-style-type: none"> a. Accounts payable. b. Accrued payroll and payroll taxes. c. Due to other funds. d. Due to other governments. e. Contracts payable, including retainage, if applicable. f. Accrued interest. g. Compensated absences. h. Estimated losses from loss contingencies (including incurred but not reported claims relating to self insurance funds). i. Bonds and notes payable. j. Anticipatory warrants. k. Termination benefits. l. OPEB. m. Other. 2. Foot listings for accuracy. 3. Test the accuracy and classification of recorded liabilities by examining supporting documentation. 4. Review liabilities and determine current and noncurrent portions. 	A,B,C				

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<p>B. Unrecorded Liabilities</p> <ol style="list-style-type: none"> 1. Perform a search for unrecorded liabilities, including the following, and schedule findings to show the effect of the potential adjustment on operations or financial position: <ol style="list-style-type: none"> 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 balance sheet date were properly recorded. d. Inquire of Landfill 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. 	B				
<p>C. Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure care</p> <ol style="list-style-type: none"> 1. Obtain copies of applicable federal, state and local laws and regulations affecting MSWLF's that have been approved as of the balance sheet/statement of net position date. 2. Examine documentation supporting capacity data including estimated capacity and current usage or cumulative capacity used (i.e. recent engineering studies, etc.) 3. Examine documentation supporting the following elements of estimated total current costs: <ol style="list-style-type: none"> a. Equipment and facilities. b. Final cover. c. Monitoring and maintenance. 4. Determine reasonableness of the annual adjustment to the estimated total current costs. 5. Determine the current period allocation was properly calculated based on the formula in GASB 18. 	A,B,C				

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<p>6. Determine current period allocation and actual costs were properly recorded.</p> <p>a. Proprietary fund:</p> <ol style="list-style-type: none"> 1) Current period allocation recognized as an expense and a fund liability. 2) Determine equipment and facilities, final cover and monitoring and maintenance costs included in the estimated total current cost are reported as a reduction of the accrued liability when they are acquired. 3) Determine capital assets used exclusively for the MSWLF and excluded from the calculation of the estimated total current cost of closure and postclosure care will be fully depreciated by the date the MSWLF stops accepting solid waste. 4) Determine capital assets used for a single cell and excluded from the calculation of the estimated total current cost of closure and postclosure care are fully depreciated by the date each cell is closed. <p>b. Governmental fund:</p> <ol style="list-style-type: none"> 1) Recorded as a liability and expense in the governmental activities column in the government-wide statements unless the liability meets the criteria to be included as a fund liability in step 2) below. 2) Recorded as a liability and expenditure in the governmental fund to the extent the liability is due in the current period for the receipt of goods and services used in the closure and postclosure care process. 3) Determine equipment and facilities, final cover and monitoring and maintenance included in the estimated total current cost of closure and postclosure care are reported as a reduction of the balance sheet liability and as closure and postclosure care expenditures when they are acquired. <p>7. Obtain copies of permits or permit renewals to determine approved periods of operation.</p>					

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D. Termination Benefits					
1. Review the Landfill's termination benefits plan and determine the plan was properly approved.					
2. Obtain or prepare a list of employees eligible for termination benefits under the plan and the amount of the Landfill's current year expense and liability as of June 30.	A				
3. Distinguish between:	C				
a. Matured termination benefits not paid at June 30 for governmental funds.					
b. Long-term debt:					
1) Due within one year.					
2) Due after one year.					
4. Select a number of eligible employees under the plan to determine if:	A,B,C				
a. The employees meet the requirements noted in the policy.					
b. The employees were properly approved for participation in the plan.					
c. The current year expense and liability were properly calculated as of June 30.					
5. Inquire of Landfill personnel about other eligible employees not included in the list.					
6. Prepare the necessary footnote disclosure, including:	C				
a. A general description of the termination benefit arrangements, including, but not limited to:					
1) Information about the type(s) of benefits provided					
2) The number of employees affected					
3) The period of time over which benefits are expected to be provided					
b. 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.					
c. The significant methods and assumptions used to determine the termination benefit liabilities and expenses.					

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E. Determine if deferred inflows of resources meeting the definition of GASB 65 and 68, have been recorded. 1. Review the amount(s) recorded for reasonableness. 2. Trace the amount(s) to supporting documentation.	A,B,C				
F. 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. 1. Review the amount(s) recorded for reasonableness. 2. Trace the amount(s) to supporting documentation.	A,B				
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>					
<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 _____					