

**LANDFILL** 2017 Audit Programs

June 30, 2017

**INSURANCE AND SELF INSURANCE**

<b>PROCEDURE</b>	<b>OBJ.</b>	<b>DONE BY</b>	<b>W/P REF</b>	<b>N/A</b>	<b>REMARKS</b>
<b>Audit Objectives and Related Assertions:</b>					
<b>A. Claims paid in the year are recorded correctly as to account, amount and period and are disbursed in accordance with the Landfill's policies and procedures for claims settlement. (5,6,7,8)</b>					
<b>B. Insurance (self-insurance) receipts/revenues, disbursements/expenses, transfers and fund balance/net position are properly classified and described in the fund financial statements and related disclosures are adequate. (9,10,11,12,13)</b>					
<b>C. The Landfill has complied with applicable laws and regulations.</b>					
<b>Audit Procedures:</b>					
A. Inquire about the Landfill's policies and procedures for administering and financing insurance claims, including whether insurance policies are carried for complete coverage of some or all risks or only for excess liabilities.					
B. Prepare a workpaper to summarize amount and type of significant coverage. Review coverage to:	B				
1. Determine if reasonable and current.					
2. Determine significant areas in which risk is retained.					
C. Review estimates of losses with a responsible official and determine if properly recorded as a disbursement/expense and liability.	A				
1. If the Landfill participates in a public entity risk pool and is subject to a supplemental premium assessment, an accrual should be made if the likelihood of such assessment meets the criteria of GASB Codification Section C50.132.					
2. If the Landfill participates in a public entity risk pool but is not subject to a supplemental premium assessment, review economic viability of pool with a responsible official and determine if a liability should be recorded based on certain conditions.					
3. If the Landfill participates in a public entity risk pool, inquire with a responsible official about the Landfill's plans for continuing its participation in the pool. If the Landfill has plans to terminate its membership, determine if additional liabilities should be recorded based on terms of the agreement to participate.					

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<p>D. Determine adequacy of financial statement presentation and disclosures.</p> <p>1. Financial statement presentation considerations should include:</p> <p>a. If the Landfill participates in a public entity risk pool in which there is no transfer of risk to the pool or pool participants, contributions to the pool should be reported as either deposits (if not expected to pay claims) or as reductions of claims liability (if used to pay claims) in accordance with GASB 10 (GASB Codification, Section C50.135) and Statement of Position (SOP) 98-7.</p> <p>b. If the Landfill made contributions to a public entity risk pool with transfer or pooling of risk:</p> <p>1) Determine contributions are recorded as deposits if a return of those contributions is probable.</p> <p>2) If not probable, then determine contributions are recorded as prepaid insurance to be allocated as expenditures/expenses after future periods, <u>or</u> alternatively, in governmental funds, as expenditures in the period made.</p> <p>2. Disclosures should include:</p> <p>a. Description of risks of loss the Landfill is exposed to and ways in which those risks are handled (i.e., purchase of commercial insurance, participation in a public entity risk pool, or risk retention). Describe significant reductions, if any, in insurance coverage from the previous year by major category of risk, and any settlements in excess of insurance coverage in any of the prior three fiscal years.</p> <p>b. If the Landfill participates in a public entity risk pool, describe the nature of participation and rights and responsibilities of the entity and the pool.</p> <p>c. If the Landfill retains some risk of loss, include the additional disclosures required by GASB 10 (GASB Codification, Section C.50.144(d)).</p> <p>d. For Internal Service Funds, also disclose:</p> <p>1) Deficit fund balance.</p> <p>2) Net position resulting from optional charges for catastrophic losses.</p>	B				

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