

**LANDFILL** 2018 Audit Programs

June 30, 2018

**INVENTORY**

| <b>PROCEDURE</b>   | <b>OBJ.</b> | <b>DONE<br/>BY</b> | <b>W/P<br/>REF</b> | <b>N/A</b> | <b>REMARKS</b> |
|--|-------------|--------------------|--------------------|------------|----------------|
| <b>Audit Objectives and Related Assertions:</b><br><b>A. Inventory recorded represents a complete listing of materials and supplies owned by the Landfill and such assets are physically on hand. (1,2,3)</b><br><b>B. Inventory listings are accurately priced, extended, footed and summarized and the totals are properly reflected in the accounts. (4)</b><br><b>C. Inventory is properly classified by fund type in the financial statements and disclosure is made of related equity reserve if appropriate. (10,11,12,13)</b><br><b>Audit Procedures:</b><br><b>A. Inventory Observation</b><br>1. Test count a selection of items. Count items of larger dollar and quantity amounts.<br>2. Trace amounts of inventory per listing to amounts on hand.<br>3. Trace amounts of inventory on hand to amounts on listing.<br>4. Obtain cut-off information.<br>5. Document any reason(s) inventories were not observed.<br><b>B. Obtain a final inventory listing at June 30 and trace auditor's counts into this listing.</b><br>1. Foot listing and test extensions of selected items for mathematical accuracy.<br>2. Review list for reasonableness.<br>3. Evaluate cut-off procedures.<br><b>C. Price Tests</b><br>1. Determine inventory valuation method.<br>2. Make a list of inventory items to be price tested and request the Landfill to locate invoices.<br>3. Verify unit costs of inventory items selected.<br>4. If applicable, trace to perpetual records.<br><b>D. 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.</b><br><b>E. Determine whether inventories are properly classified and disclosures are adequate.</b> |             |                    |                    |            |                |
|  | A           |                    |                    |            |                |
|  | A,B         |                    |                    |            |                |
|  | B           |                    |                    |            |                |
|  | C           |                    |                    |            |                |

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## INVENTORY

[illegible]