

COUNTY 2018 Audit Programs

June 30, 2018

DISBURSEMENTS/EXPENDITURES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
1. Recorded expenditures and cash disbursements are for goods or services authorized and received. (5)					
2. Expenditures incurred for goods or services have all been identified. (6)					
3. Expenditures for goods or services have been recorded in the correct fiscal year. (8)					
4. Expenditures for goods or services and related disbursements have been recorded correctly as to account, fund, period, and amount. (7,9)					
5. Expenditures for goods or services are properly presented in the entity wide and/or fund financial statements and related disclosures are adequate. (10,11,12,13)					
Audit Procedures:					
A. General					
1. On a test basis, foot and crossfoot expenditure records. Document selection methods and results of tests.					
2. Scan disbursement journal for unusual disbursements and investigate accordingly.	A				
3. Credit cards:					
a. Determine if the County 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 County officials or employees for comment. The workpaper should list all payments made during the period and a description of each transaction. For reporting purposes, include only the payments applicable to the period when the individual was an employee or official of the County in accordance with Chapter 331.342 of the Code of Iowa. Disclose material transactions in the notes to financial statements.	A,E				

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<p>B. Disbursements</p> <p>1. Select items for testing from the warrant/check register and test for the following:</p> <p>a. The disbursement was properly authorized and approved for payment as required by Chapter 331.506 of the Code of Iowa, including a warrant/check list signed by the County Treasurer prior to issuance.</p> <p>b. The disbursement was charged to the proper fund per Chapters 331.424 and 331.427 through 331.430 of the Code of Iowa.</p> <p>c. The disbursement was charged to the proper expenditure account.</p> <p>d. The disbursement was supported by an invoice or contract.</p> <p>e. Goods or services were received prior to June 30.</p> <p>f. The invoice and/or other documentation was canceled to prevent reuse.</p> <p>g. The endorsement and cancellation of the warrant/check appear proper.</p> <p>h. Expenditures for capital assets are included on the capital assets listing, if applicable.</p> <p>i. All warrants/checks were signed only by the County Auditor or an authorized designee.</p> <p>j. The disbursement appears to meet the test of public purpose. For those items which are questionable, the County should have adequate documentation as to how the expenditure(s) meet the test of public purpose.</p> <p>k. Expenditure is proper under federal laws and regulations, if applicable. If also testing compliance for a major program, you may need to add or revise criteria to cover Single Audit program steps. (i.e. allowable costs/cost principles, period of performance, procurement, suspension, and debarment, etc.)</p> <p>1. Disbursements to the MHDS regional fiscal agent are coded to 4413. Confirm payments to fiscal agent.</p>	A,B,C,D				

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2. On a test basis, prepare a workpaper for capital projects and other construction contracts to: <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. c. Determine projects and/or contracts were authorized and approved by the governing body. 	A,D				
C. Internal Service Funds <ul style="list-style-type: none"> 1. Through analytical procedures or scanning, determine if disbursements appear to be in accordance with the purpose of the fund. 2. Determine expenditures from operating funds to Internal Service Funds are correctly charged against the budget. 3. Reconcile total revenues in the Internal Service Fund to contributions or transfers from the operating funds. 	A,B				
D. Inquire of management and, when appropriate, those charged with governance, as to the existence of any agreements containing confidentiality clauses. <ul style="list-style-type: none"> 1. Determine if legal counsel agreed to the insertion of the clauses. 2. Determine if the agreements were properly approved by the Board of Supervisors. 3. Review the funding source for any payment(s) made under the agreements. 					
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.					
F. Determine whether disbursements are properly classified and disclosures are adequate.	E				
<u>ALTERNATE/ADDITIONAL PROCEDURES:</u>					

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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 _____					