

**COUNTY** 2018 Audit Programs

June 30, 2018

**CURRENT LIABILITIES/DEFERRED INFLOWS**

| <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>   |             |                    |                    |            |                |
| <b>A. Liabilities/deferred inflows of resources at the balance sheet date are properly supported. (1)</b>   |             |                    |                    |            |                |
| <b>B. Liabilities/deferred inflows of resources are properly authorized, represent the correct amounts of currently payable items in the proper period and reflect all outstanding obligations. (2,3,4)</b>   |             |                    |                    |            |                |
| <b>C. Liabilities/deferred inflows of resources are properly recorded, classified and disclosures are adequate. (10,11,12,13)</b>   |             |                    |                    |            |                |
| <b>Audit Procedures:</b>  |             |                    |                    |            |                |
| <b>A. Current Liabilities</b>   |             |                    |                    |            |                |
| 1. Obtain or prepare a list of payables and identify amounts as follows: <ul style="list-style-type: none"> <li>a. Accounts payable.</li> <li>b. Accrued payroll and payroll taxes.</li> <li>c. Due to other funds.</li> <li>d. Due to other governments.</li> <li>e. Contracts payable, including retainage, if applicable.</li> <li>f. Accrued interest.</li> <li>g. Matured portion of accrued compensated absences for governmental funds.</li> <li>h. Estimated losses from loss contingencies, including incurred but not reported claims relating to self-insurance funds.</li> <li>i. Matured portion of termination benefits for governmental funds.</li> <li>j. Other.               <ul style="list-style-type: none"> <li>1. _____</li> <li>2. _____</li> <li>3. _____</li> <li>4. _____</li> <li>5. _____</li> </ul> </li> </ul> |             |                    |                    |            |                |

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|--|-------------|--------------------|--------------------|------------|----------------|
| 2. Foot listings for accuracy.   |             |                    |                    |            |                |
| 3. Test the accuracy and classification of recorded liabilities by examining supporting documentation.   | A,B,C       |                    |                    |            |                |
| B. Determine if deferred inflows of resources meeting the definition of GASB 65 have been recorded:  | A,B,C       |                    |                    |            |                |
| 1. Review the amount(s) recorded for reasonableness.   |             |                    |                    |            |                |
| 2. Trace the amount(s) to supporting documentation.  |             |                    |                    |            |                |
| C. 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:                                       | A,B         |                    |                    |            |                |
| 1. Review the amount(s) recorded for reasonableness.   |             |                    |                    |            |                |
| 2. Trace the amount(s) to supporting documentation.  |             |                    |                    |            |                |
| D. Anticipatory Warrants   |             |                    |                    |            |                |
| 1. Obtain or prepare a schedule of obligations outstanding at year-end and reconcile to obligations outstanding at the beginning of the year, obligations issued during the year and obligations redeemed during the year. | A,B         |                    |                    |            |                |
| 2. Confirm end of year balances of anticipatory warrants.  | A,B         |                    |                    |            |                |
| 3. Trace receipts of such obligations into the cash receipts journal and bank statements.  |             |                    |                    |            |                |
| 4. If proceeds are not recorded in cash receipts journal, trace to subsidiary ledger and prepare recommended adjustment to properly record these transactions and reflect them in the fund balance.                        |             |                    |                    |            |                |
| 5. Obtain information on interest paid during the year and payment date. Recompute interest paid on a test basis.  |             |                    |                    |            |                |
| 6. Determine that anticipatory warrants redeemed were recorded as an expenditure at the time of redemption.  |             |                    |                    |            |                |
| 7. Anticipatory warrants issued and redeemed during the year should be included as other financing sources and uses, respectively.   |             |                    |                    |            |                |
| 8. Include the amount of outstanding anticipatory warrants at June 30 on the balance sheet/statement of net position as anticipatory warrants payable.   |             |                    |                    |            |                |

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|--|-------------|--------------------|--------------------|------------|----------------|
| E. Unrecorded Liabilities  |             |                    |                    |            |                |
| 1. Perform a search for unrecorded liabilities, including the following sources, and schedule findings to show the effect of the potential adjustment on operations or financial position:   | B           |                    |                    |            |                |
| 2. Examine files of receiving reports unmatched with vendors' invoices, searching for significant items received on or before the balance sheet date.  |             |                    |                    |            |                |
| 3. Inspect files of unprocessed invoices and vendors' statements for unrecorded liabilities.   |             |                    |                    |            |                |
| 4. 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 that accounts payable as of the balance sheet date were properly recorded.   |             |                    |                    |            |                |
| 5. Inquire of Community Services Director, Mental Health Case Manager, or others familiar with Mental Health /Developmental Disability Community Services to determine all mental health billings for services provided prior to June 30 were recorded as liabilities, including those paid several months after year-end. |             |                    |                    |            |                |
| 6. Inquire of responsible client staff about their knowledge of additional sources of unprocessed or unpaid invoices, unrecorded commitments, or contingent liabilities. Indicate who responded to our inquiry in the remarks column.  |             |                    |                    |            |                |
| F. 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.  |             |                    |                    |            |                |
| G. Determine whether current liabilities/deferred inflows of resources are properly classified and disclosures are adequate.   | C           |                    |                    |            |                |
| <u>ALTERNATE/ADDITIONAL PROCEDURES:</u>  |             |                    |                    |            |                |

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|--|-------------|--------------------|--------------------|------------|----------------|
| <u>CONCLUSION:</u><br><br>We have performed procedures sufficient to achieve the audit objectives for current liabilities/deferred inflows of resources and the results of these procedures are adequately documented in the accompanying workpapers.<br><br>Incharge _____ Date _____<br>Manager _____ Date _____<br>Independent<br>Reviewer _____ Date _____ |             |                    |                    |            |                |