

WORK PROGRAM

Company : College
Section : Finance and Accounts
Year : 2000

RISKS	AUDIT OBJECTIVES	AUDIT STEPS/TESTS	Working Paper Ref.
	<p style="text-align: center;"><u>OVERALL AUDIT OBJECTIVES</u></p>	<p><i>Note: Program based on presumed or anticipated conditions. If program is changed as a result of conditions found in the field, document the change accordingly.</i></p> <ol style="list-style-type: none"> 1. Prepare/update transaction flowchart/system notes. 2. Review and update the work program. 3. By observation and discussion with key personnel, identify change, if any, to existing internal controls. Also, review the policies and procedures to ensure adequacy and reasonableness. <p>4. Company performance/profitability</p> <ol style="list-style-type: none"> a) Perform analytical review of turnover – compare actual turnover against planned and/or past performance b) Determine the break even point c) Determine income recognition policy d) Test for turnover reasonableness e) Evaluate branch profitability f) Evaluate the profitability and sustainability of matriculation programme <p>5. Overheads</p> <ol style="list-style-type: none"> a) Test for reasonableness of overheads b) Identify admin cost shared by all (branches & HQ) but borne by HQ 	

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		<p>6. Course</p> <ul style="list-style-type: none"> a) Calculate standard costing for each course b) Determine how course fee is set c) Compare fees with other colleges <p>7. Trade debtors</p> <ul style="list-style-type: none"> a) Obtain Trade Debtors Ageing list and enquire on long outstanding debtors b) Test the validity of the debtors c) Review collectibility of debtors d) Review the trade debtors ageing for provision of bad or doubtful debts <p>8. Invoicing</p> <ul style="list-style-type: none"> a) Determine the invoicing system for each branch b) Test for effectiveness of frequency of invoicing – monthly or semester <p>9. Collection</p> <ul style="list-style-type: none"> a) Evaluate the cash collection systems at branches b) Ensure that cash and cheques received are banked-in on daily basis. If not, ensure that they are kept locked and banked-in on scheduled banking days <p>10. Cash Management</p> <ul style="list-style-type: none"> a) Review branches' reporting of cash activity to HQ b) Review bank reconciliations c) Determine whether short term investments are made for surplus 	

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		<p data-bbox="800 233 1325 344"><i>Note: Program based on presumed or anticipated conditions. If program is changed as a result of conditions found in the field, document the change accordingly.</i></p> <p data-bbox="841 380 911 407">cash</p> <p data-bbox="805 443 1289 531">d) Determine whether lock boxes are used for petty cash or unbanked collection</p> <p data-bbox="805 569 1321 684">e) Identify any financing facilities obtained by company and determine ability of company to service the loans</p> <p data-bbox="805 722 1325 783">f) Determine minimum working capital required every month and</p> <p data-bbox="805 816 1122 844">11. Financial Reporting</p> <p data-bbox="805 879 1273 940">a) Identify system used for financial reporting</p> <p data-bbox="805 972 1308 1033">b) Determine the ability of branches to prepare management accounts</p> <p data-bbox="805 1064 1308 1125">c) Review suspense accounts balances and identify their causes</p> <p data-bbox="805 1157 1247 1218">d) Determine how fixed assets are recorded in the accounts</p> <p data-bbox="805 1249 1313 1310">e) Review the unreconciled balances in trade debtors and trade creditors</p> <p data-bbox="805 1341 1227 1402">f) Review amount due to related companies</p> <p data-bbox="805 1434 1016 1461">12. Other steps:</p> <hr data-bbox="800 1520 1336 1528"/> <hr data-bbox="800 1556 1336 1564"/> <hr data-bbox="800 1591 1336 1600"/> <hr data-bbox="800 1627 1336 1635"/> <p data-bbox="805 1656 1110 1684">13. Clear review points.</p> <p data-bbox="805 1715 1240 1776">14. Prepare 'Report on Deficiency Finding' (if any).</p>	

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<p>Prepared by: _____ Date: _____</p> <p>Reviewed by : _____ Date: _____</p>			