To: Internal Audit Director

From: Marc Bailey

Subject: Planning Memo- Barton County Cooperative Extension Office

Date: August 15, 2007

Introduction
The content of this section should give the reader an understanding of the audit commitment that may include a review of:

- revenue
- expenditures
- accounts receivable
- bank accounts
- equipment
- records retention

Procedures
Objective: To locate any new issues requiring audit consideration and to make sure that the audit program includes all audit concerns.

Provide audit notification to the auditee.

Review the following
- Prior Audit Files
- Applicable laws and regulations
- Prior internal and external audit report and management responses

REVENUES
Objective: To determine that revenues are properly recorded and deposited in a timely manner.
- Count all cash on hand.
- Determine all sources of revenue
- Compare the initial recording or revenues received with the university revenue report
- Determine if there are any accounts receivable. If so, perform appropriate audit procedures.

BANK ACCOUNTS
Objective: To determine if the bank account is being properly administered.
- Prepare/verify a bank reconciliation for the most recent month
- Agree reconciled balance to the general ledger balance
- Compare end-of-month bank balance to General Ledger and investigate any difference
- Determine if old unused checks are on hand
- Assess separation of duties
EXPENDITURES
Objective: To determine that expenditures are properly accounted for and recorded.
- Compare expenditures with supporting documentation
- Determine that the supporting documentation has been properly approved
- Scan all expenditures for reasonableness
- Ensure all expenditures are in compliance with fiscal policies

Note: Expenditures can be tested on the attached worksheet.

EQUIPMENT
Objective: To determine that equipment is properly recorded and safeguarded.
- Obtain most current inventory list
- Compare recorded lists with the actual equipment on-hand
- Evaluated physical controls

Audit Completion

Auditor
- Finalize preliminary audit report
- Copy all electronic papers (i.e. Word and Excel files) into the appropriate folder on the departmental drive.
- Submit preliminary audit report to supervisor for final review

Audit Director
- Reviews audit working paper and the preliminary audit report

Budgeted Time
The content of this section should include total number of hours. The time budget is detailed in the table below.

<table>
<thead>
<tr>
<th>Process</th>
<th>Number of Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>20</td>
</tr>
<tr>
<td>Audit Procedures</td>
<td>65</td>
</tr>
<tr>
<td>Preliminary and Final Report</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>