Example Controls Assessment Work Product

The figure below provides an example of a controls assessment to document conclusions for controls testing, summarizing the relevant KCOs, control activities, and conclusions about the operating effectiveness of the control activities related to the cash receipts accounting application.

ENTITY: *XYZ Agency (XYZ)* DATE OF FIN. STMTS: *9/30/xx* ACCOUNTING APPLICATION: *Cash Receipts*	SPECIFIC CONTROL EVALUATION FILE: _____	PREPARER _____ DATE _____ Page ___ of

ACCOUNTING APPLICATION: CASH RECEIPTS

ACCOUNTING APPLICAITION ASSERTION	RELEVANT ASSERTIONS IN RELATED GROUPS OF ACCOUNTS		POTENTIAL MISSTATEMENT IN ACCOUNTING APPLICATION ASSERTIONS	CONTROL OBJECTIVES	INTERNAL CONTROL ACTIVITIES	IS (Y/N)	EFFECTIVE-NESS OF CONTROL ACTIVITIES	DOC REF. & CONTROL TESTING STEP
	Cash	*Accts. Rec.*						
Existence or occurrence	*Existence or occurrence*	*Completeness*	*Occurrence/validity:* *1. Receipt is recorded, but cash is not received.*	*1a. Recorded cash receipts and cash receipt processing procedures are authorized by federal laws, regulations, and management's policy.* *1b. Appropriate individuals approve recorded receipts in accordance with management's general or specific criteria.* *1c. Recorded receipts represent amounts actually received by the entity and are properly classified.*	*1a. Receipts processing is governed by documented procedures for accepting, obtaining, reviewing, and approving receipts.* *1b. A supervisor reviews receipts processing to provide reasonable assurance that procedures are followed.* *1c. Recorded cash receipts are matched with the appropriate supporting documentation.* *1d. Entries to the accounting records are reviewed and approved by supervisory personnel.*	*N* *N* N N	*Effective* *Effective* *Effective* *Effective*	*[In this column, the auditor would indicate, by cross-referencing, the audit procedures in the detailed control testing audit plan that were designed to test each effective control determined to be relevant. Such tests will involve inquiry, observation, inspection, or a combination thereof.]*
			Cutoff: *2. Receipts are recorded in this period, but the cash is received in a different period.* *Summarization:* *3. Receipt*	*2. Cash receipts recorded in the period are actually received in the period.* *3. The summarization of*	*2. Recorded receipts are reconciled to cash receipts listings and bank deposit reports before posting.* *3a. Receipt data in the*	*Y* *Y*	*Effective* *Effective*	

SBR Example -- Control Assessment