Example Test Plan for Wave 2- SBR Audit

The figure below provides an an example test plan for controls testing, depicting the relevant risks, planned test description, and test results for the Un-liquidated Obligations Review Control Activity

Test Plan					
1	**Entity**	DoD Component	4	**Preparer**	Jane Doe
2	**Account Line**		5	**Preparer's Phone #**	123-456-7890
3	**Business Cycle/Segment, Accounting Application**	ULO Review	6	**Documentation Location**	DoD Component - Headquarters
7	**Financial Statement Assertion**	Completeness, Valuation, Existence			
8	**Key Risk of Material Misstatement**	1. Contract obligations may not be appropriately liquidated when order is complete 2. Contract orders are received but no delivered order has been recorded and the undelivered order amount has not been reduced 3. Contract obligations, accruals and disbursements may be recorded at incorrect amounts			
9	**Key Control Objective (KCO)**	1. Contract obligations are appropriately liquidated when order is complete 2. As Contract orders are received, delivered order are recorded and the undelivered order amount is reduced 3. Contract obligations, accruals and disbursements must be recorded at correct amounts			
10	**Internal Control Currently In Place**	1. Each Fund Holder completes Form 456 and signs/dates it. The Supervisor reviews the completed Form 456, approves the suggested adjustments, and signs/dates the form. 2. The Accountant makes the required adjustments in the general ledger accounting systems and initials / dates Form 456. The Supervisory Accountants verifies that the adjustments in the GL system agree to the amounts noted.			
11	**Test Objective**	Verify that identified ULO adjustments are completed timely and that the underlying controls are performed and evidenced on the appropriate documents.			
12	**Testing Period**	October 1, 2010 through March 31, 2011			
13	**Test Method**	Reperformance			
14	**Control Type**	Manual with system generated data			
15	**Control Frequency**	3 times per year. However, when consider the number of locations (10), it is noted that the control is performed 30 times. Accordingly, the frequncy is greater than a monthly control but less than weekly controls, which would be performed 12 times and 52 times,			
16	**Population and Sample Size**	We generated a listing of ULO for the reporting entity and noted that the balance was $49,000,234. We agreed the balance to the trial balance (GL 1234) without exception. We considerred the frequency of the control, which is greater than monthly (10 times) and less than weekly (52 times); this frequency require a minimum sample items of 3 and 10, respectively. We selected 10 items, which is the conservative approach.			
17	**Tolerable Exceptions**	The sample sizes exceeds the minimum sample (which would be the 6.5 items - the mid-point between the 3 and 10, the minimum sample size for monthly and weekly controls,			
18	**Location of Testing**	DoD Component - Headquarters			
19	**Sample Selection Process**	Review Form 456 and verify that the Fund Holder, Supervisor, Accounttant, and Supervisory Accountant signed and dated it. Furthermore, verify that the noted actions on the form were completed. See workpaper XX for additonal information.			
Test Script					
22	**Test Procedures**	Randomly select 10 locations and obtain Form 456 for the selected locations. For each of selected location, review Form 456 and verify that the Form(s) were signed and dated by the Funds Holder, Supervisor, Accountant, and Supervisory Accountant. Furthermore, verify that the noted actions/adjustements were completed prior to the Supervisory Accountant's approval.			
23	**Test Results**	Reviewed form 456 for each of the selected sample items and noted no exceptions. We noted that each of the required adjustments were processed prior to the Supervisory Accountant signing the form. See workpaper XX for detail regarding each of the selected sample items.			
25	**Tester's Signature & Date**	/s/ Jane Doe			xx/xx/2011
26	**Manager's Signature of Acceptance & Date**	/s/ John Doe			xx/xx/2011