



PM_02: Audit program

Search for unrecorded liabilities audit procedures

1. Make inquiries of management regarding whether all accrued expenses that should have been recorded at the period end have been recorded. Corroborate their response by performing the following procedures:
 - Scan the prior period accrued expenses schedule for indication of types of accrued expenses that would be expected to recur and assess whether such items are included.
 - Inspect budgets for evidence of accrued expenses.
 - Consider current year activity and identify whether any accrued expense items should be recorded.
 - Read the period end list of accrued expenses and identify items that either are expected to exist at current period end but are not recorded or are not expected to exist but are recorded.
 - Inquire of relevant personnel, and consider if responses are consistent with the engagement team's understanding.
2. Assess whether all liabilities that should have been recorded and classified as accrued expenses have been identified and recorded appropriately at the period end.
3. If an expected accrual has not been recorded, make inquiries of management as to why there is no accrual and corroborate such explanations.
4. Select items and perform the following:
 - Make inquiries of management regarding the nature of the accrued expense.
 - Re-perform the calculation.
 - Vouch the expense to supporting documentation such as bills (subsequently received), invoices, contracts, or other relevant information where applicable.
 - Assess whether the expense has been appropriately recorded and allocated to accrued expenses.
5. Assess whether the presentation of accrued expenses in the financial statements is appropriate including consideration of the presentation between current and noncurrent liabilities.

Materiality posting threshold: CU95,000

Any exceptions above this amount will need to be proposed to management and adjusted in the financial statements.