

How to Audit Cash

3rd Edition

Steven M. Bragg

Table of Contents

Chapter 1 – Auditing Cash	1
Learning Objectives	1
Introduction.....	1
Cash Equivalents	2
Auditor Objectives.....	2
Auditing Characteristics of Cash.....	3
Auditing Activities.....	3
Inherent Risk Assessment.....	3
Material Misstatement Assessment	4
Substantive Procedures	4
Obtain Balance Detail	6
Confirm Balances.....	6
Reconcile Accounts	9
Examine Cutoff	10
Count Cash.....	11
Review Bank Transfers	11
Conduct Analytical Procedures	13
Review Presentation	13
Internal Controls Used by the Client	14
Fraud Issues.....	19
Skimming (No Recordation)	20
Discounted Sales (Partial Recordation)	20
Modification of Receipts (Altered Recordation)	21
Fake Refunds (Subsequent Recordation).....	21
Lapping.....	22
Bribery Accounts.....	22
Account Inflation	23
Summary	23
Review Questions	24
Review Answers	25
 Chapter 2 – The Bank Reconciliation and Proof of Cash.....	27
Learning Objectives	27
Introduction.....	27
The Reconciliation Process.....	27
The Proof of Cash.....	29
Summary	31
Review Questions	32
Review Answers	33
 Glossary	35
 Index.....	37