

JUNE 30, 2022
AUDIT PRESENTATION
TO GOVERNANCE



December 12, 2022



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JAG Managing Partner



Purpose of this Communication



Auditor's Communication with Those Charged with Governance

- ✓ Identification of those charged with governance
 - ✓ Effective two-way communication
- ✓ An overview of the planned scope and timing of the audit
- ✓ Significant findings and recommendations from the audit
- ✓ Meet periodically to discuss the audit process and status



Auditor's Responsibilities

Audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting.

Auditor is responsible for communicating significant matters related to the financial statement audit that are, in the auditor's professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.



Auditor's Responsibilities



Management's Responsibilities

- Financial Statements
- All representations therein
- Identify all federal awards
- Review and approval of the FS, notes – and accept responsibility for them
- Oversee FS assistance (non-audit services)
 - Designate individual with skill to evaluate the adequacy and results of the services and accept responsibility for them
- Establish and maintain effective internal controls (including compliance)
- Evaluate and monitor, meeting goals and objectives, laws and regulations
- Reasonable assurance that state and federal programs are administered in compliance with requirements

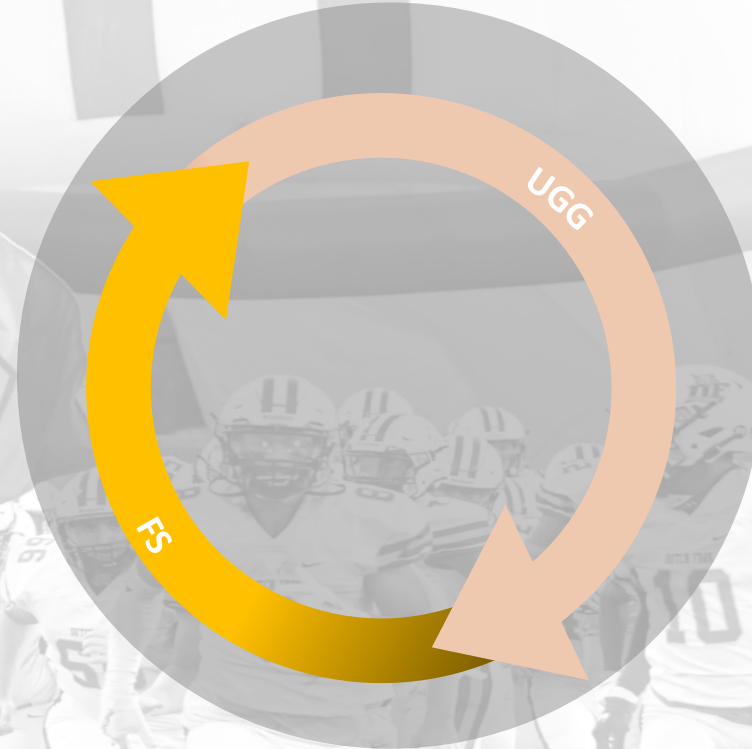


Management's Responsibilities

- Implement systems designed to ensure compliance with laws, regulations, contracts, and grant agreements
- Selection and application of accounting principles
- Preparation and fair presentation of the FS with US GAAP
- Make all financial records and related info available to us
- Ensure management is reliable and financial info is reliable and properly recorded
- Ensure unrestricted access to persons within the District
- Identify significant vendor relationships
- Adjust the FS and PAJEs

Management's Responsibilities

- Sign management representation letter
- D&I programs and controls to prevent and detect fraud
- Inform us about all known or suspected fraud, including allegations
- Taking timely and appropriate steps to remedy any fraud, non-compliance, or abuse
- Create and follow through on corrective action plans on findings
- Preparation of Supplementary Information
- Identify financial audits, attestation engagements, performance audits, or other studies and corrective actions
- Include audited FS with SEFA or SI or OSI
- Submission of data collection form



Scope of the Audit – Components of the District’s Audit

Planned Scope of the Audit



As the auditors for the District:

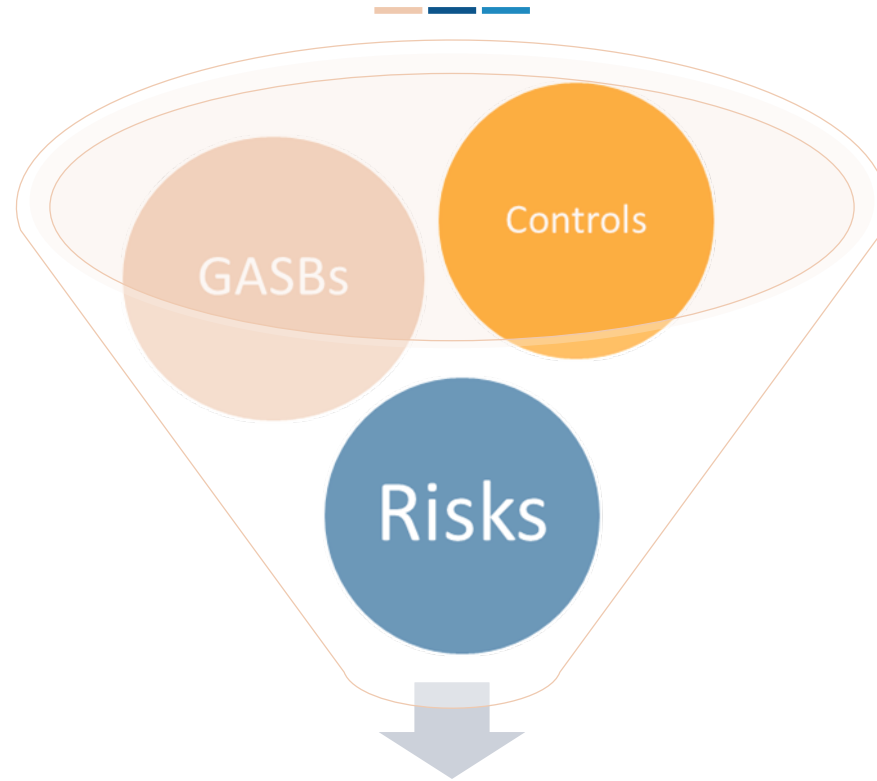
We take a risk-based approach to our audit procedures:

Specifically, significant risks of material misstatement whether due to error or fraud. Our preliminary risk assessment has not identified significant risks of material misstatement for the District.

The first week is dedicated to assessing risks of material misstatement, determining audit approach, etc. in accordance with the audit risk standards. This phase is known as the design and implementation (D&I) phase.

After the D&I phase is completed, we complete the internal control testing, followed by substantive and analytic tests of account balances, compliance, and assistance with preparation of the District's financial statements.

Scope of the Audit – Risk Based Approach / Changes



Audit Approach
Sampling

Timing of the Audit



- **Engagement Letter Signed:** July 14, 2022
- **Planning:** July-Aug
- **Document Design and Implementation of the District's Internal Control Structure and Testing & Compliance Testing:** Sept-Oct
- **Uniform Grant Guidance (UGG) Testing:**
 - Education Stabilization Fund
 - Title I
- **Account Balance Testing:** Oct-Nov
- **Audit Report:** November 28th
- **Due to State:** December 1st
- **Due to GFOA for Award:** December 31st

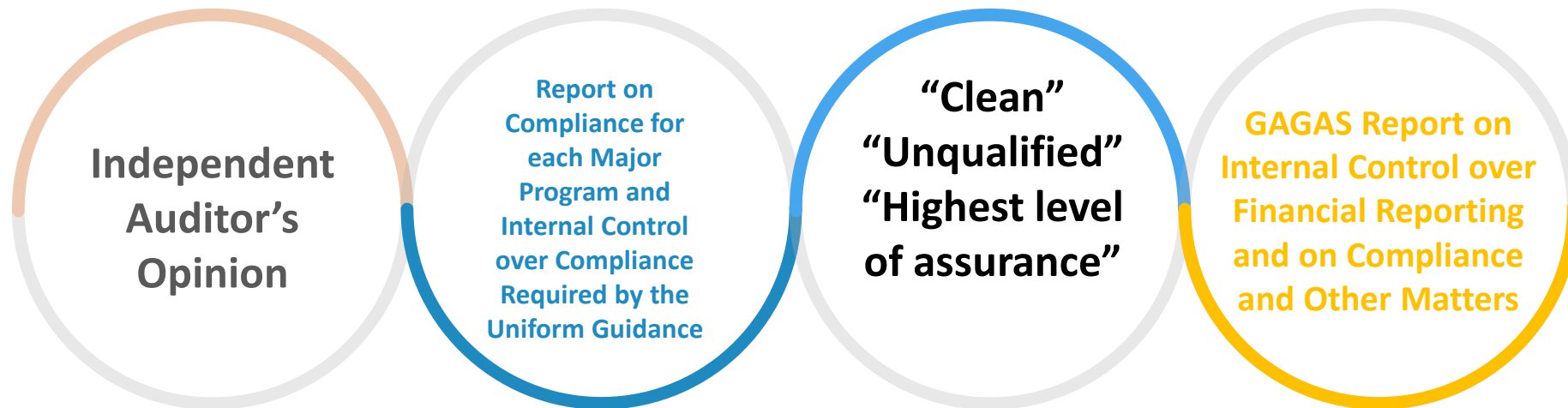


Plan - July - August

Test – September – November

Report - November 29th

Auditor's Opinions and Report



Findings & Recommendations

✓ **Prior Year Findings:**
None

- ✓ **Current Year Findings:**
- Procurement and Contracts
 - See separate Management Recommendation Letter

A photograph showing a group of children and adults reaching up to touch a plant with pink flowers. The children are wearing blue and grey shirts. The adults are wearing black and blue shirts. The background is a lush green field.

Post-Audit COMMUNICATION

Required Communications With You Upon Completion of Audit:

- Observations on qualitative aspects of the District's significant accounting practices – **"Consistent w/Prior Year; Industry Aligned"**
- Significant difficulties encountered during the audit – **"None"**
- Uncorrected misstatements – **"None Noted"**
- Disagreements with management – **"None"**
- Management's consultation with other accountants – **"None"**
- Significant issues discussed, or subject to correspondence, with management – **"Procurement"**
- Reaffirm Independence – **"JAG is Independent"**



Questions or Comments?

Many Thanks to Your Team!

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