



SUSD AUDIT COMMITTEE

October 1, 2021

What's
Next?

Types of Audits and
Audit Plans

“Fieldwork”

Reporting

Audit Committee and
Governing Board

Types of Audits



Financial statement audit



Compliance audit



Performance audit



Investigation

Type: Why do we need an Audit?

Financial: independent assessment of reported financial information.

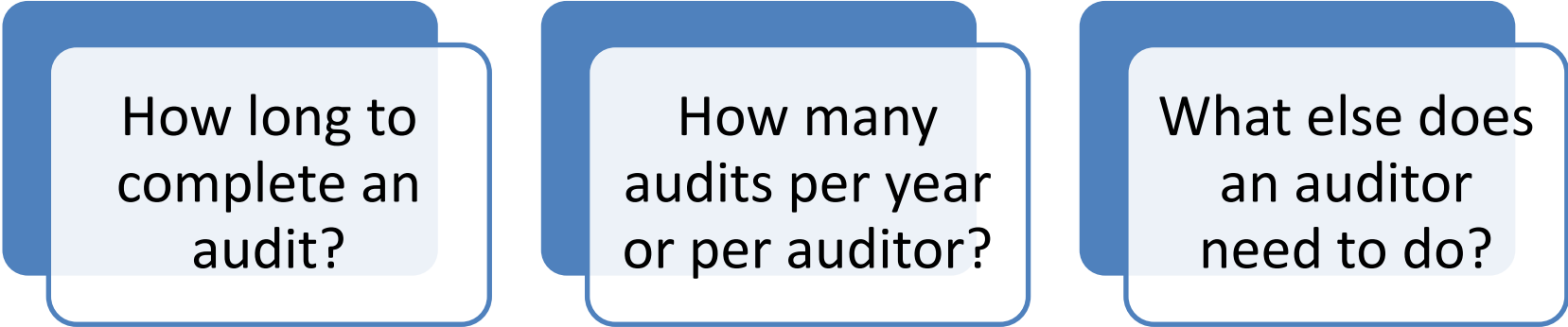
Compliance: part of financial or performance audits; provisions of laws, regulations, contracts, etc.

Performance: objective analysis toward improving program performance and operations, reducing costs, facilitating decision-making.

Investigations: something's gone wrong

Audit Plan

Setting Expectations



How long to
complete an
audit?

How many
audits per year
or per auditor?

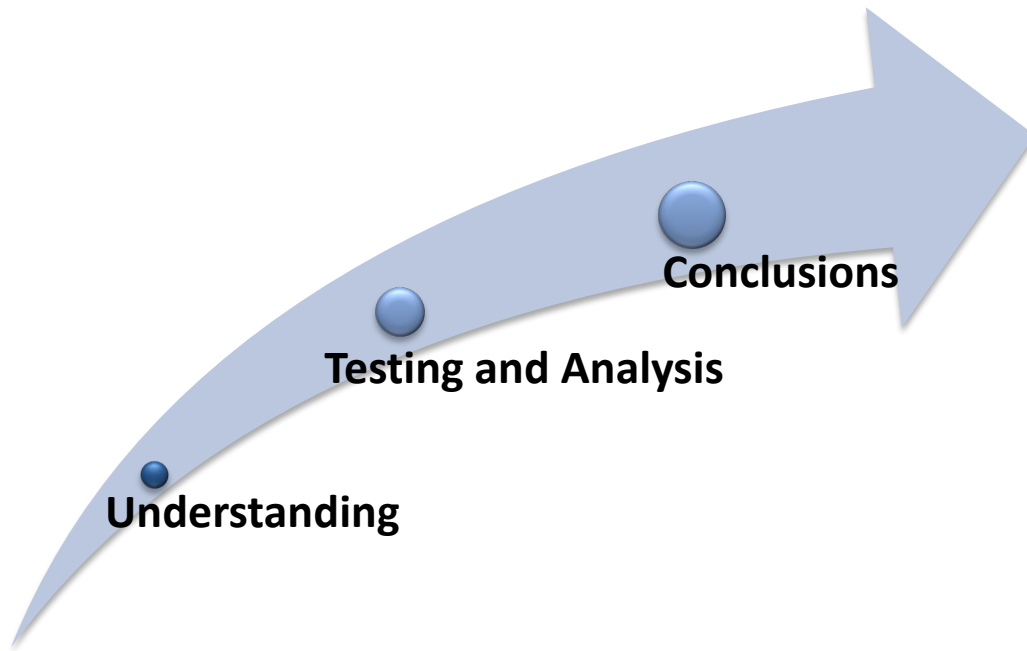
What else does
an auditor
need to do?

What is Fieldwork?

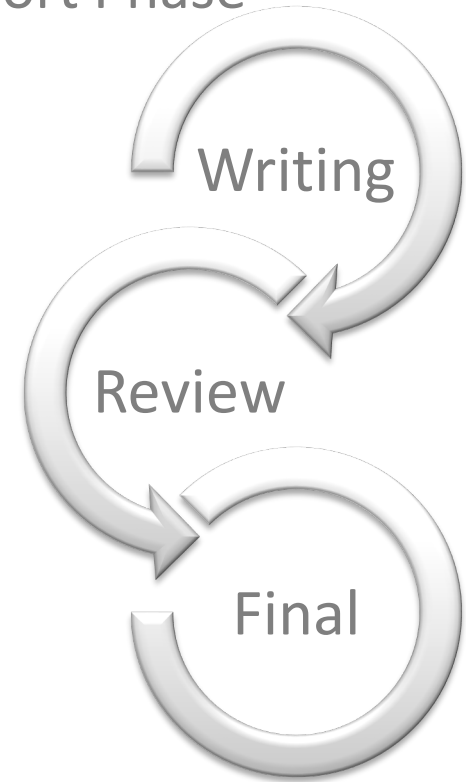
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Audit Process

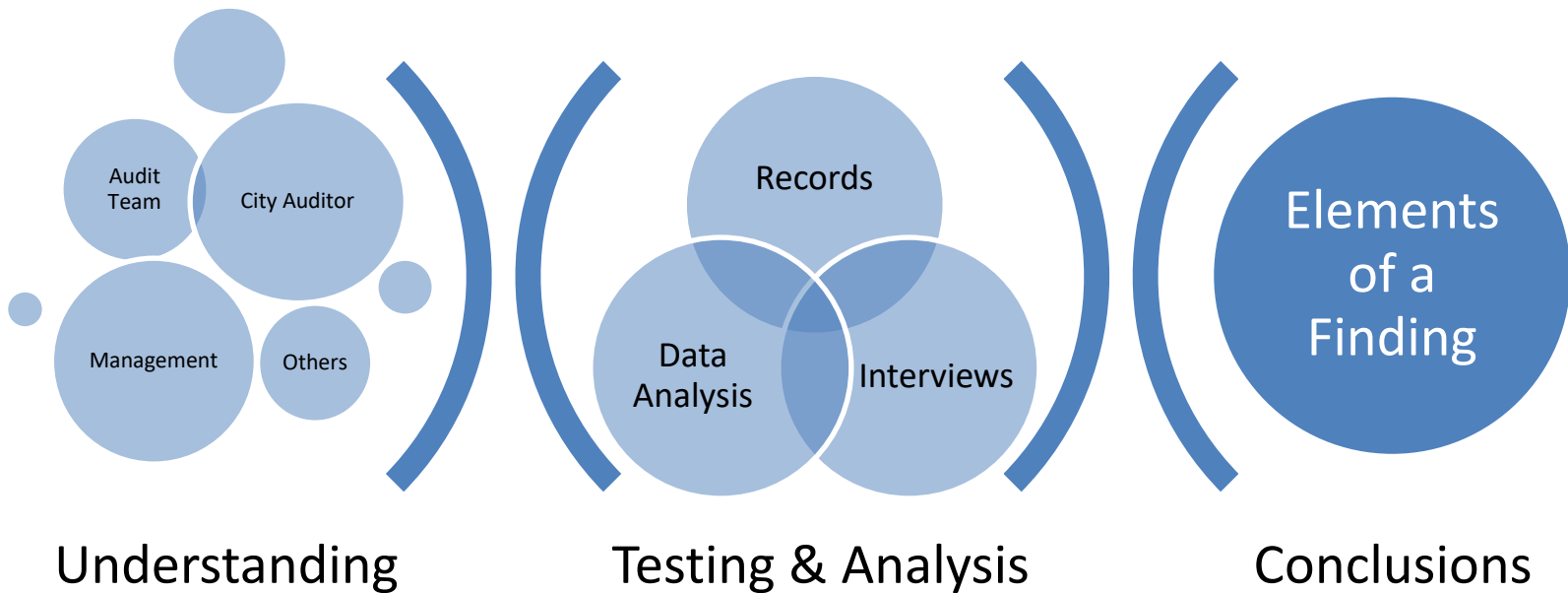
Fieldwork Phase



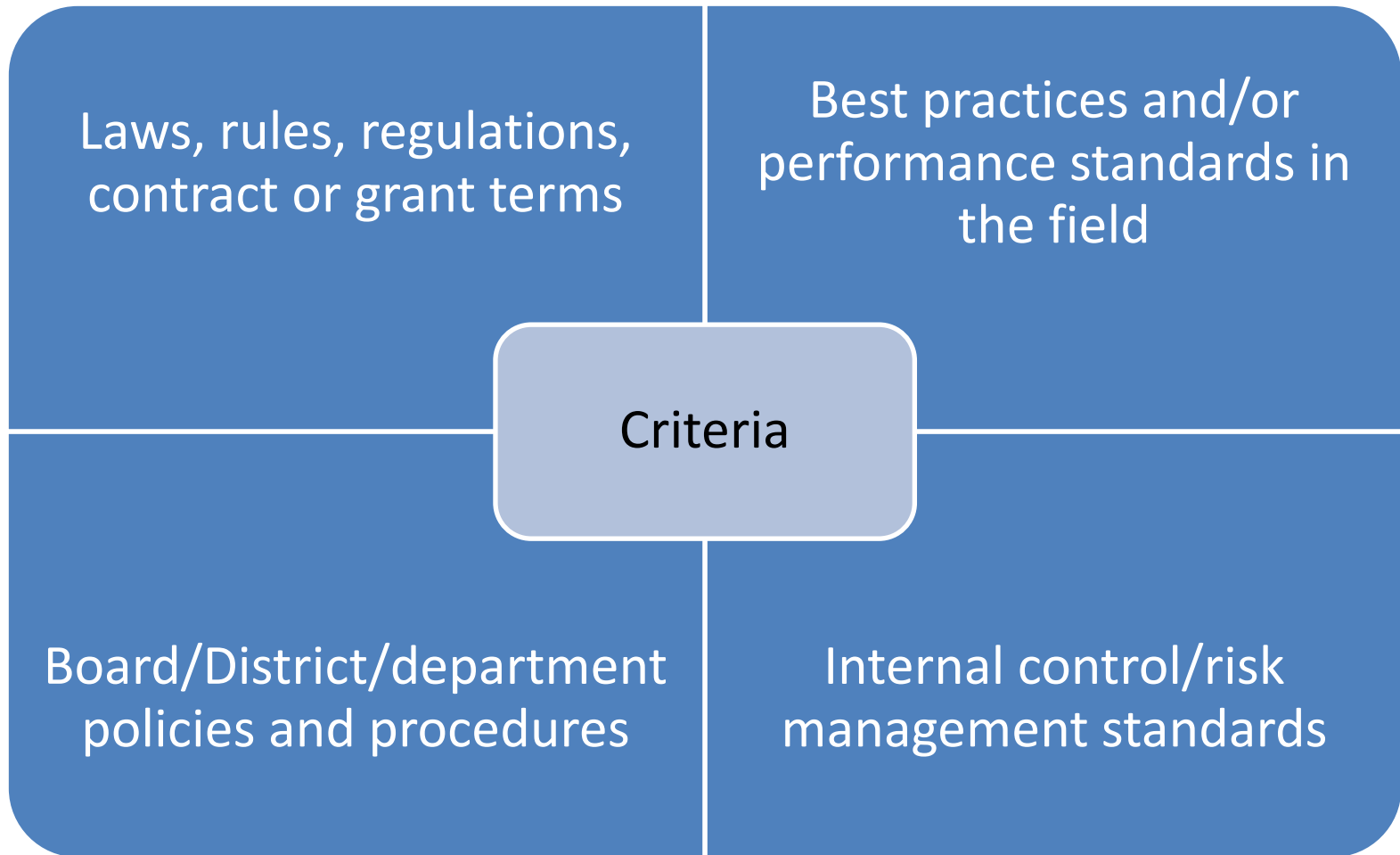
Report Phase



Fieldwork Phases



Understanding – Identify Criteria



Testing & Analysis Examples

Records

- Financial data, summary reports, documents (invoices, receipts, tickets),...
- Maps, staffing schedules, vehicle records, door access data, ...

Interviews

- Internal: Program staff, department and division level management, other departments, ...
- External parties: contractors, customers, other governments, ...

Data Analysis

- Excel, Access, IDEA (audit analysis software)
- Benchmarks, statistical reports, ...

Conclusions – Elements of a Finding

Condition

- What is?

Criteria

- What should be?

Cause

- Why?

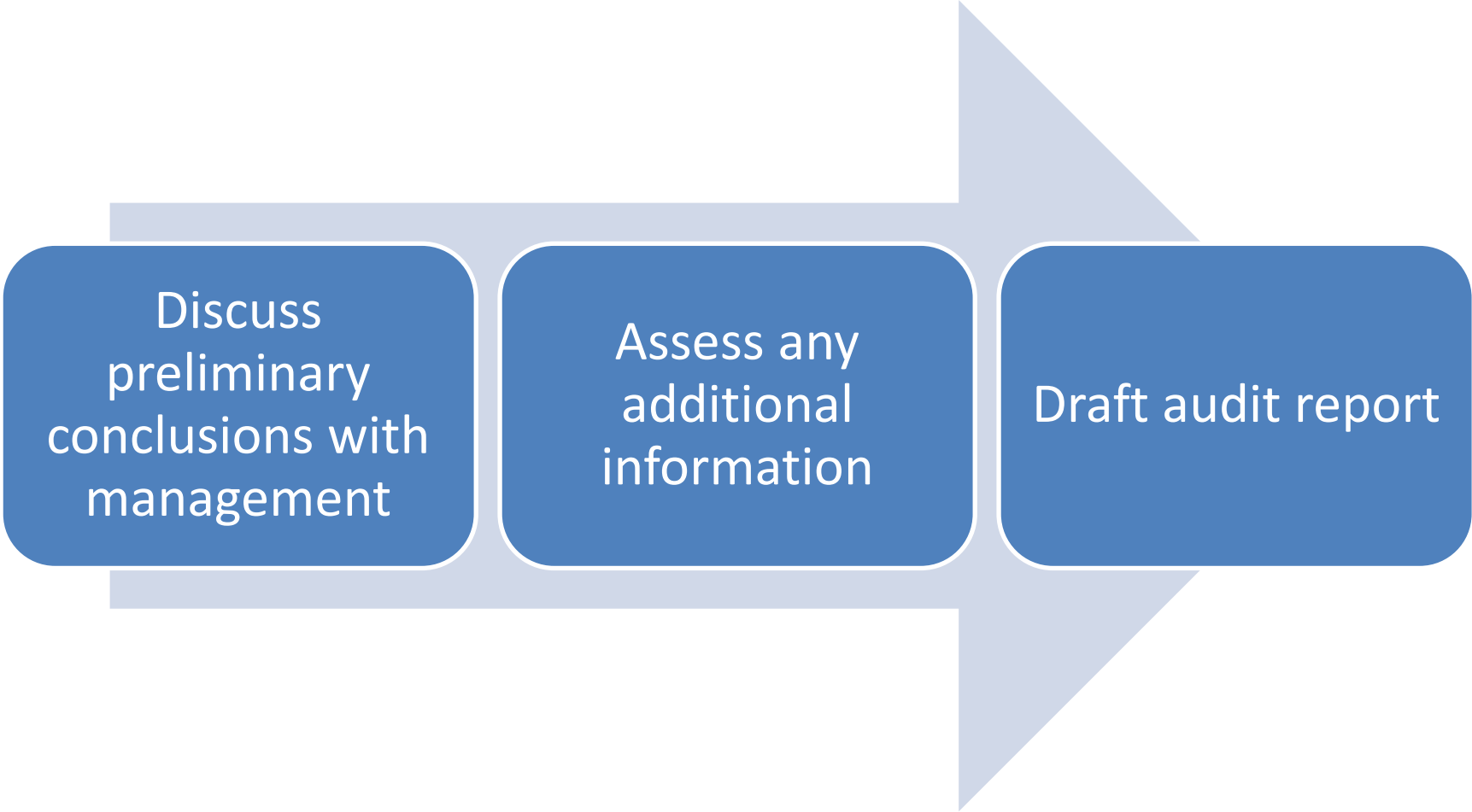
Effect

- What is the impact?

Recommendation

- What should be done?

Conclusions



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graph LR; A[Discuss preliminary conclusions with management] --> B[Assess any additional information]; B --> C[Draft audit report];
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Discuss
preliminary
conclusions with
management

Assess any
additional
information

Draft audit report

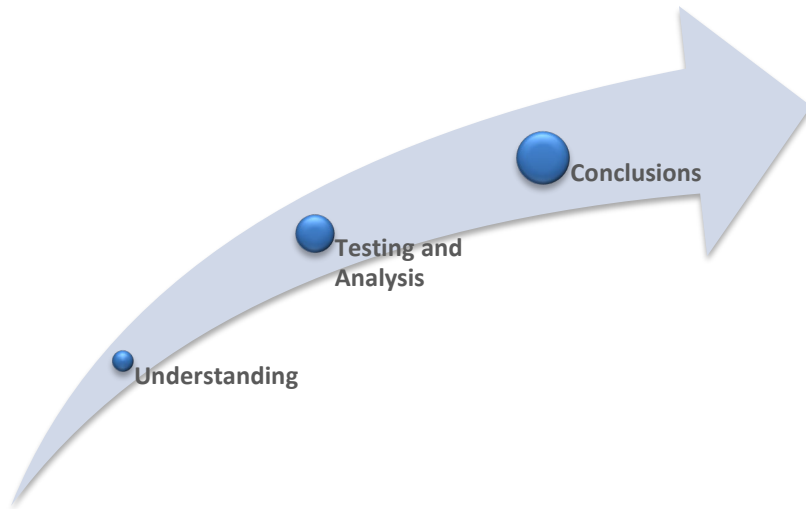
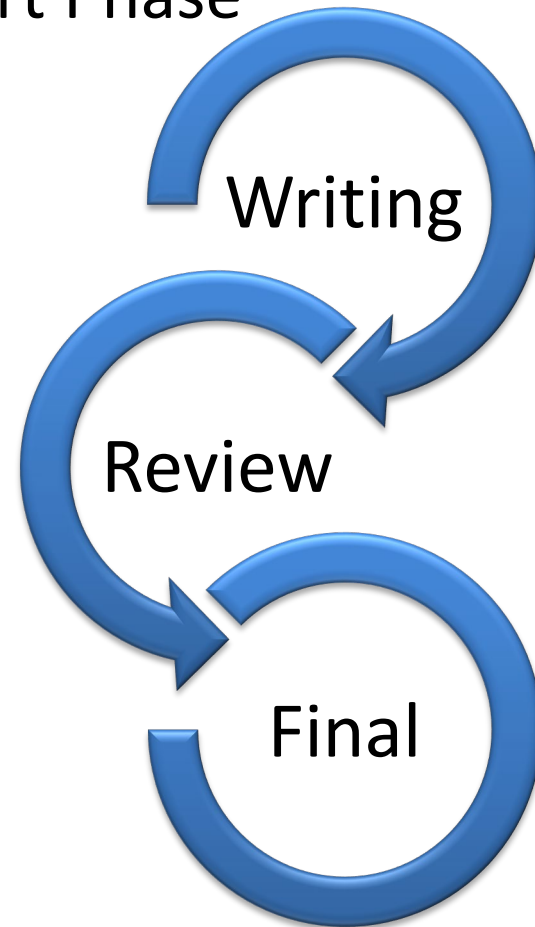
What is Reporting?

A thick, hand-drawn style red line underlining the title.

Audit Process

Report Phase

Fieldwork Phase



WRITING the Report

Background

- Context: who, what, where, why, how much?

Objectives, Scope & Methodology

- Why, what time period/other limits, how did we audit?
- Auditing standards

Findings & Conclusions

- What were the results?

DRAFT Report

- Draft = an audit workpaper, required part of the audit process.
- Final report = prepared for Governing Board and is a public record.

“Working papers and other audit files that are maintained by the city or town auditor are not public records and are exempt from title 39, chapter 1. Any audit report prepared for or presented to a city or town, whether by city or town auditor, the auditor’s authorized representative or a consultant, is a public record subject to title 39, chapter 1.” Arizona Revised Statutes § 9-305(B)

DRAFT Report

- Board Policy requires management to respond to the draft report:

A final draft of the audit report will be forwarded to the audited department and the Superintendent for review and comment ... before it is released. The department must respond in writing specifying agreement... or reasons for disagreement..., plans for implementing solutions...and a timetable to complete such activities. ...

The agency response must be filed...within 30 calendar days...(section continues with provisions for extensions)

DRAFT Report Phases



DRAFT Report Reviews

Management

- Auditors meet with management to review tone, accuracy, and recommendations
- Any revisions sent to management

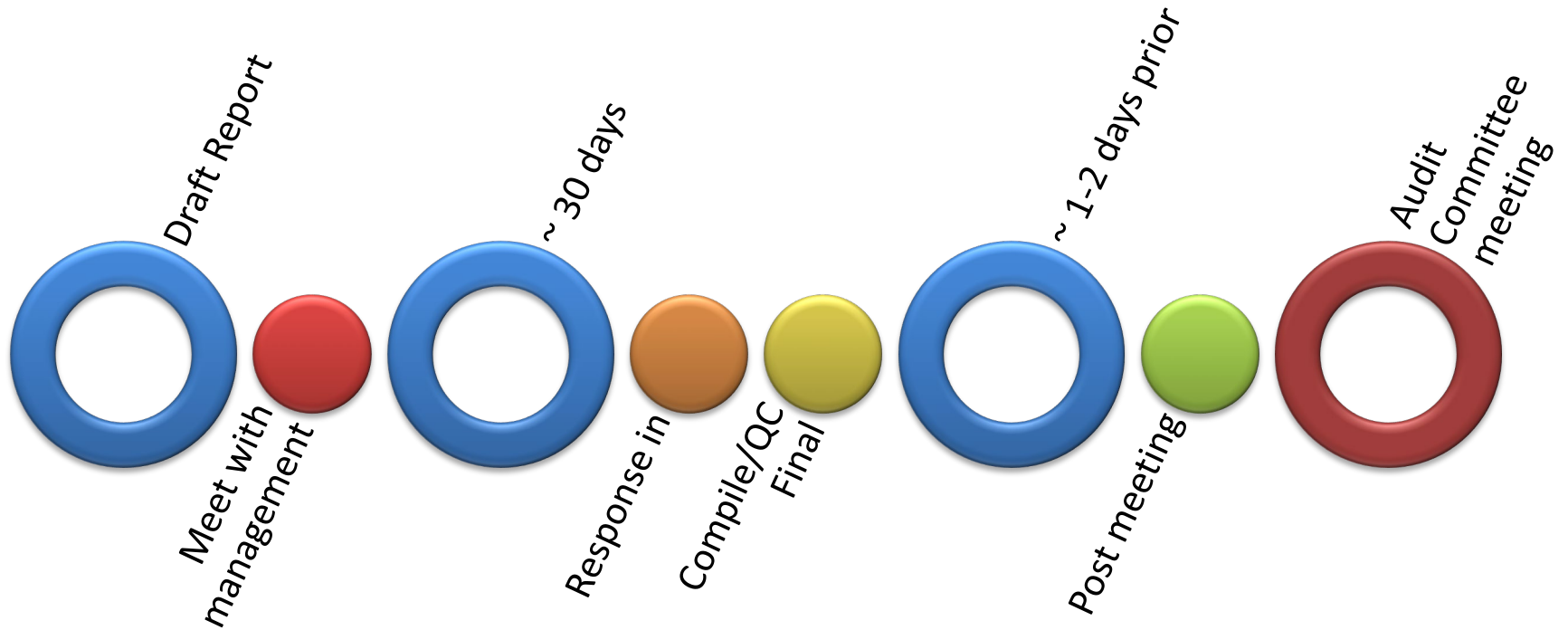
Quality Control

- Team references all facts in the draft to specific supporting work
- City Auditor reviews supporting work in process and during report preparation

Independent Reviewer

- Auditor not on this team fact-checks the draft
- Team corrects any errors

Timeline to Meeting Date



Final Report Availability

