

City of Waco FY2021 Planning Meeting



Budget & Audit Committee
October 12, 2021

Agenda

- **Scope and Objectives of Services**
- **Engagement Team**
- **Interim Testing & Single Audit Plans**
- **Estimated Report Timing**
- **New Accounting Standards**

Scope and Objectives of Services

- **Audit**

- Basic financial statements as of and for the year-ended September 30, 2021

- **Compliance**

- Requirements described in 2CFR 200, *Uniform Guidance* and *Uniform Grant Management Standards of the State of Texas* for each major federal and state program
- Passenger facility charge requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*

- **Agreed-Upon Procedures**

- Assist in providing necessary financial assurances related to landfill reporting requirements

Engagement Team

- Audit Partner – Diana Ward
- Audit Senior Manager – Katie King
- Audit Quality Control Review Partner – Kristy Davis

Continued COVID-19 Considerations

- Working in consultation with City management
- Zoom meetings
- Majority of testing is from JRBT offices

Interim Testing Plan

Begin Risk Assessment Process

- ☐ Understanding the City and it's environment
- ☐ Interim evaluation of design and implementation of internal controls (entity and activity-level)
- ☐ Test effectiveness of internal controls (activity-level)
- ☐ Identify potential financial statement risks

Develop Audit Strategy

- ☐ Assess identified risks
- ☐ Develop audit approach and planned responses to risks
- ☐ Customize audit programs
- ☐ Perform interim audit testing

Interim Testing – Controls Plan

- **“Walkthrough” of Key Processes:**
 - Financial reporting
 - Payroll disbursements
 - Utility revenues and billing
 - Grant receipts
 - Purchasing & competitive bidding
 - Quarterly investment report review
 - Bank reconciliations
- **Tests of Operating Effectiveness**

Interim Testing – Audit Plan

- Test census data sent to TMRS
- Send confirmations for water receivables as of August 31, 2021
- Perform inventory observations:
 - Traffic
 - Transit

Single Audit Plan

- **2021 Compliance Supplement**
 - Testing based on funds spent during the year
 - Requiring mandatory high risk programs due to additional COVID funding
 - Number of programs to be tested exceeds engagement letter quote
- **Addendum release to be determined**

Remaining Fieldwork Timing

November 8, 2021

Begin Compliance Testing (Uniform Guidance)

November 29, 2021

Begin year-end audit testing

December 14, 2021

Present findings to date to Budget/Audit as well as estimated CAFR timeline

Estimated Report Timing

January 5, 2022

Complete draft for management



January 11, 2022

Draft CAFR to Budget/Audit Committee



January 21, 2022

Issue final reports



February 15, 2022

City Council presentation

New Accounting Standards

- **Effective for Current Fiscal Year**
 - GASB No. 84, *Fiduciary Activities*
- **Effective for Future Periods**
 - Effective date postponed due to COVID-19 as follows:
 - GASB No. 87, *Leases* (FY2022)

Questions?

