

City of Glendale, Arizona FY15-16 Audit Presentation

City Council Workshop
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Presented By:

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Principal



What is an Audit?

- An audit is the process of examining and verifying management's assertions
- The objective is for the auditor to provide an opinion based on the examinations performed

What is the Result of an Audit

- An opinion
 - Reasonable, but not absolute assurance
- Findings and recommendations

How do Auditors Determine What to Test?

- Risk based approach
- Apply risk factors to account balances and programs
- Factors based on understanding of the government
 - Gained through inquiry
 - Gained through observation
 - Gained through prior experience
 - Gained through test work
 - Gained through other factors

Audit Process

Sign engagement letter



Audit planning by firm



Audit preparation by
management

Audit Process

Audit communication with
governance and management



Audit examination
(Fieldwork)



Communication of results

The Reporting Package

Communication to Governance

Opinion on the Comprehensive Annual Financial Report

The Single Audit Report (Including the *Government Auditing Standards* Report and the Report on Major Federal Programs and the Schedule of Federal Expenditures)

Independent Accountants' Report on the use of Highway User Revenue Funds



The Reporting Package

The Annual Expenditure Limitation Report
(to be issued)

Landfill Assurance Agreed-Upon
Procedures

Management Letter (If Applicable)

Comprehensive Annual Financial Report

- Provide an opinion on the basic financial statements
- Provide an in-relation-to opinion on the combining and individual fund financial statements and schedules
- Provide an in-relation-to opinion on the federal data schedule
- Disclaim an opinion on the required supplementary information, introductory, and statistical sections

**We rendered an Unmodified (Clean) Opinion
on the Financial Statements**



Single Audit Report

- Provide an Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Provide an Independent Auditors' Report on Compliance For Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Single Audit

- Government Auditing Standards Report
 - We do not provide an opinion on internal controls, but we will report on any deficiencies in internal controls (significant deficiencies and/or material weaknesses) related to the financial statements
- Uniform Grant Guidance
 - We provide an opinion on the City's major federal programs compliance
 - We do not provide an opinion on internal controls over compliance; however, we will report on any deficiencies in internal controls (significant deficiencies and/or material weaknesses) over compliance

Single Audit Results

- We rendered an unmodified (clean) opinion on the City's compliance of its major federal programs
- One material weaknesses and no significant deficiencies in internal controls in the *Government Auditing Standards Report*
- No matters of noncompliance related to a major federal program reported as a material weakness or a significant deficiency

Other Reports

- Independent Accountants' Report on the use of Highway User Revenue Funds
 - Rendered a clean opinion as to the use of highway user revenue funds
- Independent Accountants' Report on the Annual Expenditure Limitation Report
 - Rendered a clean opinion
- Landfill Assurance Agreed-Upon Procedures
 - We do not render an opinion, we only report on those procedures agreed upon with the City and report on those matters

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