



Required Communication with Auditors-Statement on Auditing Standards No. 114

Receive and File

**Author:** Loretta Su

**Attachments:** Yes

**Referring Committee:** Not Applicable

**Issue:**

In accordance with the Statement on Auditing Standards (SAS) No. 114, SACOG's auditors are required to communicate certain matters to those charged with governance of the agency.

**Request:**

Receive & File

**Recommendation for Board:**

None, this item is for receive and file only.

**Recommendation for Committee:**

None, the Policy and Innovation Committee did not meet in August.

**Background:**

Statement on Auditing Standards No. 114 provides a framework for effective communication between auditors and clients in relation to the audit of financial statements. The auditor is required to communicate with those charged with governance those matters related to the financial statement audit that are, in the auditors' professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Generally, the matters to be communicated include information regarding the auditors' responsibility under GAAS (Generally Accepted Auditing Standards), the planned scope and timing of the audit, planning and interim activities, year-end fieldwork and audit approach, and new audit and accounting standards effective for the fiscal year ended June 30, 2024.

**Discussion/Analysis:**

Our auditors, Eide Bailly LLP and Richardson & Company, LLP encourage effective two-way communications through face-to-face meetings. Eide Bailly is responsible for auditing the financial statements of SACOG and Richardson & Company is responsible for auditing the Local Transportation Fund and State Transit Assistance Fund's financial statements for Sacramento, Sutter, Yolo and Yuba counties. These communications can be made to an audit committee, or a similar committee designated by the board to address audit-related matters. In the case of SACOG, the Policy and Innovation Committee (PIC) is charged with overseeing administration and financial budget matters, including the audit, and thus is the appropriate Committee to

communicate with the auditors. However, since there was no PIC meetings held in August, Chair Gayaldo met virtually with Eide Bailly LLP staff in early August to interact with the auditors as a representative of the board.

**Fiscal Impact/Grant Information:**

Included in OWP/Budget

**List of Attachments:**

Eide Bailly LLP SAS 114 Letter

Richardson & Company LLP SAS 114 Letter