



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

Receive and File

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Attachments: Yes

Approved by: James Corless

Referring Committee: Policy & Innovation

1. 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.

2. Recommendation:

None, this is for information only.

3. Background/Analysis:

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, 2022.

4. 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 four Counties' Local Transportation Fund and State Transit Assistance Fund's financial statements. 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 is charged with overseeing administration and financial budget matters, including the audit, and thus is the appropriate Committee to communicate with the auditors. Therefore, in accordance with SAS No. 114, staff from Eide Bailly LLP presented the audit-related matters to the committee.

5. Fiscal Impact/Grant Information:

The costs of the audits are included in the Fiscal Year 2022-2023 Budget and Overall Work Program.

6. This staff report aligns with the following SACOG Work Plan Objectives:

