

**CITY** 2018 Audit Programs

June 30, 2018

**PLANNING CONFERENCE**  
**ENTRANCE**

Date: \_\_\_\_\_ Time: \_\_\_\_\_

IN ATTENDANCE:

| <u>City</u> |       | <u>Auditor</u> |       |
|-------------|-------|----------------|-------|
| Name        | Title | Name           | Title |
| _____       | _____ | _____          | _____ |
| _____       | _____ | _____          | _____ |
| _____       | _____ | _____          | _____ |

- | <u>Items</u>  | <u>Discussion</u> |
|---|-------------------|
| A. Scope of Audit**:  |                   |
| 1. Period to be audited.  |                   |
| 2. Basis of accounting.   |                   |
| 3. Objectives of audit.   |                   |
| 4. Engagement letter (if multi-year letter is used, auditor should annually remind management of the terms of the engagement).  |                   |
| 5. Funds to be audited (including component units).   |                   |
| 6. Federal programs.  |                   |
| 7. Additional audit requirements.   |                   |
| 8. Reports to be issued.  |                   |
| 9. The audit will be conducted in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States. |                   |
| B. Timing of**:   |                   |
| 1. Fieldwork.   |                   |
| 2. Release of report.   |                   |
| C. Availability of records.   |                   |
| D. Working space arrangements, if applicable.   |                   |
| E. Extent of internal audit/other client assistance.  |                   |
| F. Status of prior year's audit comments.   |                   |
| G. Personnel changes.   |                   |

**CITY** 2018 Audit Programs

June 30, 2018

**PLANNING CONFERENCE**  
**ENTRANCE**

| <u>Items</u> | <u>Discussion</u>   |
|--------------|---|
| H.           | Accounting problems during the year.  |
| I.           | Pending litigation.   |
| J.           | Significant accounting policies.  |
| K.           | Extent of computerized books and records.   |
| L.           | Inquire of management about the existence of related party/business transactions, including changes from the prior year and the nature of the relationships.  |
| M.           | Potential component units, including changes from the prior year and entities for which the City is acting as a fiscal agent.   |
| N.           | 28E organizations in which the City is a participant.   |
| O.           | If the City has extended or received financial guarantees on obligations of other entities without receiving or paying equivalent value for the guarantee, discuss the obligation with City officials (GASB 70).  |
| P.           | Understanding of fee and billing arrangements.  |
| Q.           | Additional items for audit planning: <ol style="list-style-type: none"><li>1. New capital projects or completion of projects from the prior year.</li><li>2. New grants or completion of grants from the prior year.</li><li>3. New revenue sources, such as special assessments, local option sales tax, etc.</li><li>4. Debt issuances or refunding/retirement of debt.</li><li>5. Significant changes in the City's budget from the prior year and/or significant amendments to the City's current year budget.</li><li>6. Others.</li></ol> |

**CITY** 2018 Audit Programs

June 30, 2018

**PLANNING CONFERENCE**  
**ENTRANCE**

| <u>Items</u> | <u>Discussion</u>  |
|--------------|--|
| R.           | <p>GASB 74/75 – Discuss with management that a new valuation is required for implementation of GASB 75, including a restatement of beginning of fiscal year total OPEB liability</p> <p>Discuss the requirements effective for fiscal year 2018 with management, including the required actuarial valuation, footnote disclosures and financial statement effects.</p> |
| S.           | GASB 77 – Discuss the impact of the tax abatement disclosures on the financial statements.   |
| T.           | GASB 34 – Inquire as to whether any funds have been identified as discretionary major funds.   |
| U.           | Inquire of management and, when appropriate, those charged with governance, about whether the City is in compliance with laws and regulations that may have a material effect on the financial statements.   |
| V.           | Inquire of management and, when appropriate, those charged with governance, whether the City is aware of any conditions or events, considered in the aggregate, that may cause substantial doubt about the City's ability to continue as a going concern. SAS 132.   |
| W.           | Inquire of management about their understanding of the risk of material misstatement due to fraud and whether they have knowledge of fraud that has occurred.  |
| X.           | Ensure management is aware of their responsibilities under Chapter 11.6(7) of the Code of Iowa to notify the Auditor of State regarding any suspected embezzlement, theft or other significant financial irregularities.   |
| Y.           | Inquire of management about the existence of a program for preventing, deterring or detecting fraud. If a program exists, determine if fraud risk factors have been identified.  |
| Z.           | Inform management about the auditor's responsibilities to inquire of them and others about fraud risk factors relating to financial reporting and misappropriation of assets throughout the audit in accordance with AU-C 240.   |

**CITY** 2018 Audit Programs

June 30, 2018

**PLANNING CONFERENCE**  
**ENTRANCE**

| <u>Items</u> | <u>Discussion</u>   |
|--------------|---|
| AA.          | Inquire of management about the existence of any known limitations on the audit.  |
| BB.          | Discuss nonaudit services with those charged with governance or management, including**: <ol style="list-style-type: none"><li>1. Independence issues.</li><li>2. The nature of the audit and the nonaudit services provided.</li></ol>   |
| CC.          | Other discussion items.   |
| DD.          | Discuss the following items with those charged with governance**: <ol style="list-style-type: none"><li>1. Are there any matters warranting particular attention during the audit or areas where additional procedures are requested?</li><li>2. Has there been any significant communications with regulators?</li><li>3. How does the City respond to changes in financial reporting standards and laws/regulations?</li><li>4. What actions have been taken to respond to prior audit comments?</li><li>5. Were there any communications with management regarding the City's processes for identifying and responding to the risks of fraud? If yes, document the specific communications.</li><li>6. How do those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the City and the internal controls management has established to mitigate these risks?</li><li>7. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</li></ol> |

**CITY** 2018 Audit Programs

June 30, 2018

**PLANNING CONFERENCE**  
**ENTRANCE**

Acknowledgement:

|  |               |
|--|---------------|
| _____<br>Mayor, City Council Member<br>or Audit Committee Member | _____<br>Date |
| _____<br>City Administrator/Manager                              | _____<br>Date |
| _____<br>City Clerk/Finance Director                             | _____<br>Date |

**\*\*** These items are required to be communicated with those charged with governance, in addition to the items communicated in the audit engagement letter. If those charged with governance are not present at the entrance conference, ensure the required communications are discussed at a later date.