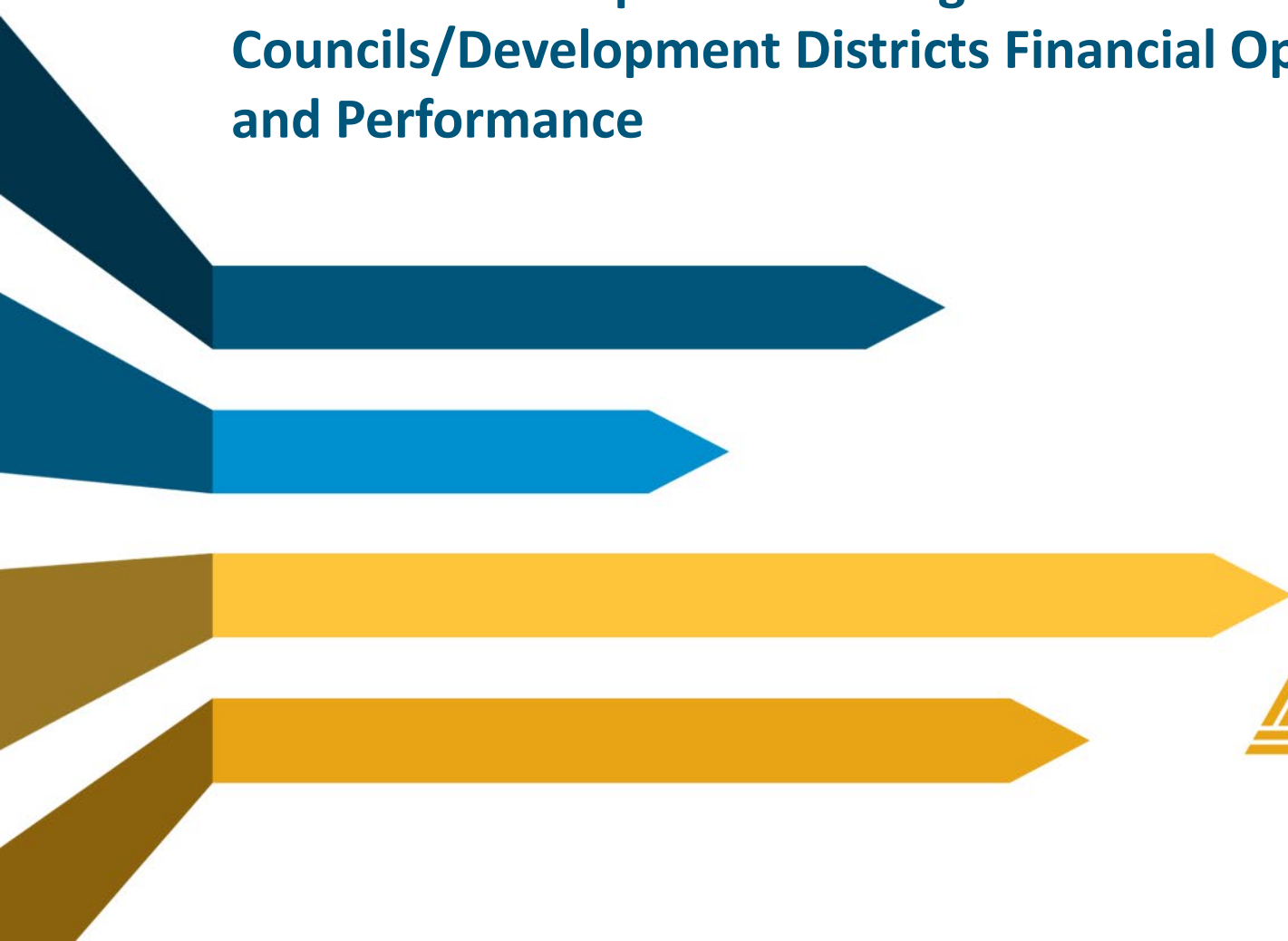


# An Eagle's Eye View

An Outside Perspective on Regional  
Councils/Development Districts Financial Operations  
and Performance



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# Overview



# Theme: Questions

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- What is your first thought when you hear “auditor”?
- Goal of today:
  - Understanding what the purpose of the audit
  - Understanding the audit process from the auditor’s perspective
  - How you and your auditor can work together to make the audit a positive experience

# Common Misconceptions About Auditors

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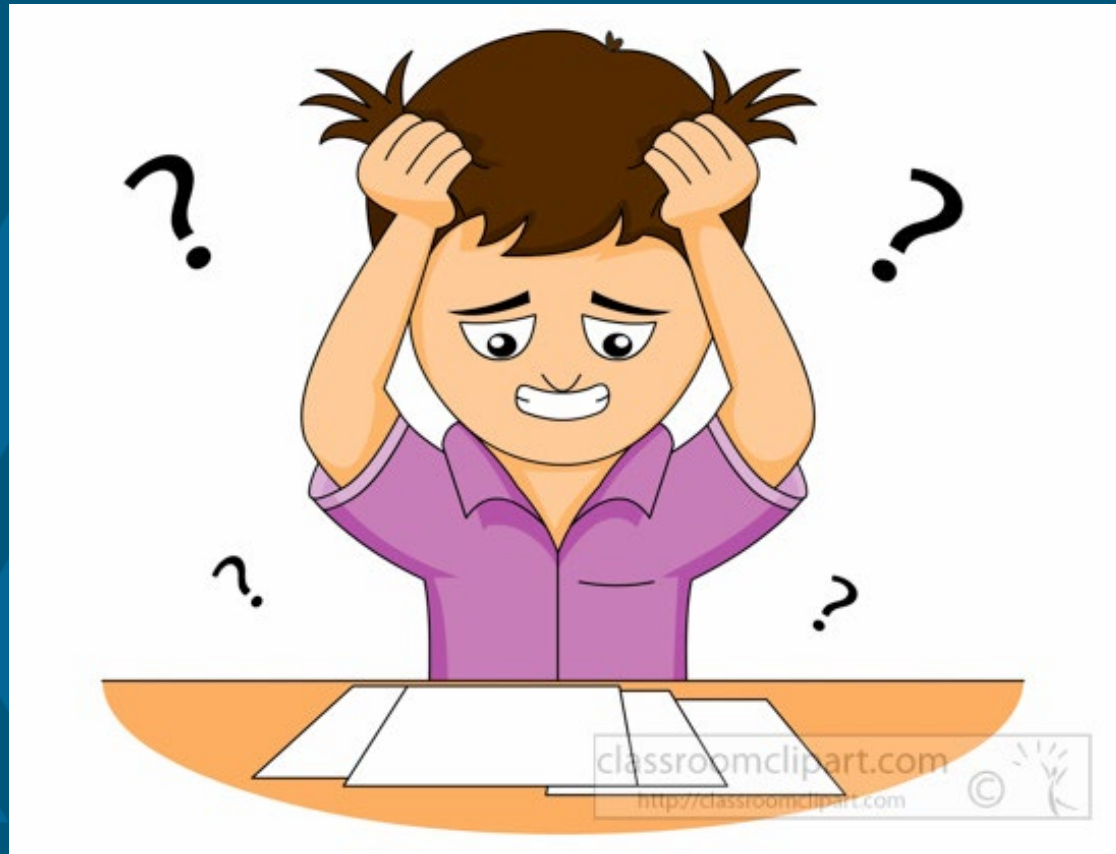
We are determined to find issues with your organization!  
(and will dig till we find it)

Every question we ask is to trip you up!

We know everything about GASB/FASB and expect you to also

We will detect all fraud

# The Nightmare Audit



# What is the Organizational Structure?

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- Organizational structures can impact the planning of an audit
  - Governmental vs Nonprofit vs Special Purpose Governmental Entity
  - Other requirements due to structure
    - MD&A
    - Form 990
  - Requirements by State

# Who is requiring the audit? Who will use it?

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- State audit requirement
  - Are there state requirements or rules on reporting?
    - Example: KY
      - APA Right of Refusal
      - State auditor review of file
  - Is there a Single Audit requirement?
    - Triggers for a Single Audit
    - Single Audit, what it means
  - Additional reporting requirements? Or standardization in accounting requirements?

# What is Audit Testing?

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How can we test financial information so we are able to give an audit opinion?

- Types of Testing
  - Substantive
  - Analytical
  - Testing effectiveness of the controls that the Organization has in place
  
- Internal controls
  - How do my organization's internal controls impact the audit?
    - Internal controls over financial reporting
    - Internal controls over compliance



# What is Audit Testing?

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- Design vs Effectiveness
  - Is there a point in the process where a mistake could happen and it not be prevented or caught later in the process?
  - Is there something about the design structure of the control that is inherently troublesome from a control perspective?
  - Is there documentation of the controls?



# What IT Systems are used?

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- What IT systems are used and what role do they play in maintaining the financial information for the organization?
  - What does the organization do to make sure information is accurate? Protected?
  - How does the organization/auditor trust the system is functioning correctly?
    - Issues with IT can result in -  
Good Information In => Garbage Out
- What are auditors looking for?

# Is there Oversight at the Organization?

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- Board Involvement
- Executives/ Personnel /Committees
- Budgets
- Financial Reports Presented and Discussed
- Approval of use of Funds, when required



# Tips and Tricks

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Request list – organize the information

If something is missing just tell us. Offer alternatives if available

If you don't understand a request – ASK!

Communication is key

# Communication

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- Auditor to Auditee
- Auditee to Auditor
- Auditor to Auditee Audit Committee
- Auditor to Board
- Auditee Management to Auditee Staff



# Communication of Findings

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- Material Weakness
- Significant Deficiency
- Management Letter Comments
- Improvement Points
- Verbal



# Evaluating Auditors

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- RFP Items
  - Complete list
  - Expectation of delivery dates
- Fees
  - Outliers
- References/representative clients
  - Few?
  - Many?

# Questions





# CRI Firm Facts



**FOUNDED IN 1997**

**12 STATES**



**35+ MARKETS**

across the United States & Mexico



**2,000+**  
**PROFESSIONALS**



**400+**  
**PARTNERS**



**TOP 25 CPA FIRM**

*(as ranked by Accounting Today)*



**25+ YEARS**  
**OF CONSISTENT GROWTH**  
**SINCE FORMATION**

## SERVICES

- Accounting & Auditing
- Advisory
- Business Support & Transactions
- Business Tax
- Employee Benefit Plans
- Governance, Risk & Assurance
- Individual Tax & Planning
- IT Audits & Assurance

## INDUSTRY EXPERTISE

- Captive Insurance
- Commercial Real Estate
- Construction
- Financial Institutions
- Governments
- Healthcare
- Insurance
- Manufacturing & Distribution
- Nonprofit

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- Auditwerx
- CRI Advanced Analytics
- CRI Capital Advisors
- CRI Simple Numbers
- CRI TPA Services
- Level Four Advisory Services
- Paywerx
- Preferred Legacy Trust

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