



# Brazos River Authority

*Pre-Audit Discussion– 2020 Financial Statement  
Audit*

**Board of Director's Meeting**  
*July 27, 2020*

**Aaron Worthman, CPA, Partner**



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# Overview



**Audit Team Introduction**



**2020 Audit Plan**



**Auditors' Communication with Those Charged with Governance**



**Questions**

## Audit Team



### **Aaron Worthman, CPA- Engagement Partner**

- 22 years experience serving utilities and river authorities nationwide
- Partner-in-charge of financial audits of numerous utilities' in Texas
- Leading attest practice in Austin office
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### **Sarah Slaughter, CPA- Senior Manager**

- 16 years experience serving utilities and river authorities nationwide
- Manages several large Texas utilities' audits
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### **Ryan Theiler, CPA- Senior Associate**

- Specializes in performing financial audits for utilities nationwide
- Manages the financial audit for numerous utilities
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## Deliverables

- Audited financial statements in accordance with *US Generally Accepted Auditing Standards* (GAAS)
- Report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards* (GAGAS)
- Single audit report (if expenditures exceed \$750,000 threshold)
- Management letter
- Written communication to management and the Board detailing any significant deficiencies or material weaknesses (if applicable)



## Audit Timeline

The audit fieldwork and final audit report delivery are scheduled with management to meet mutually agreed-upon contractual, regulatory or other reporting deadlines

### *Proposed Timeline*

- Preliminary Field Work and Planning – July 2020
- Final Field Work and Review – October/November 2020
- Present Financial Statements – December 2020 / January 2021



## 2020 Audit Plan

### Main Areas of Audit Focus

- Control Environment
- Control Activities
- Information Technology
- Cash and Investments
- Accounts Receivable and Revenues
- Prepaids
- Capital assets and A/D
- Unearned Revenues
- Pension liability/asset and deferrals
- Financing
- Net Position
- Expenditures and Payables
- Payroll and Benefits
- Compliance with Laws and Regulations
- Contracts and Contingencies
- Financial Reporting

# Brazos River Authority

## Auditor Communication with Those Charged with Governance

### *Required Communication*

Required Communication— Your Views Regarding Matters as Members of the Body Charged with Governance of BRA

- We will communicate with the top level of management during the audit
- We ask the Board for input on any audit matters
- Board input does not change our responsibility as the auditor to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary
- The Board has the responsibility to oversee the strategic direction of BRA, as well as the overall accountability of the entity
- We ask the Board to report if it has taken action in response to developments in financial reporting, laws, accounting standards, government practices, or other related matters
- We will include Board input in our audit plan

**We encourage Board input into the audit process— areas for further review and focus on controls, areas of concern, areas for further financial reporting and analysis, and areas of compliance with laws and regulations.**



**Brazos River Authority**  
**Auditor Communication with Those Charged with Governance**  
*Required Communication* (cont.)

We look forward to a successful audit with BRA  
accounting staff and management!

Any Questions .....

**Thank you!**