

SACRAMENTO TRANSPORTATION AUTHORITY

AUDIT PLANNING MEETING

August 17, 2023

Auditor's responsibility under generally accepted auditing standards

- Objective is opinion on the financial statements
- Conclude as to fair presentation of the financial statements
- Reasonable assurance that financials are free from material misstatement
- Internal control evaluated for effect on financials, not an opinion

Scope of Audit

Financial statements include:

- General Fund: Measure A, Freeway Service Patrol and general administration of STA.
- Special Revenue Fund: Sacramento Abandoned Vehicle Authority. (Separate legal entity) and Measure A funds not yet claimed by for CTSA and neighborhood transit
- Debt Service Fund: Accounts for the payments on the Measure A bonds.

Audit under *Government Auditing Standards*

Obtain an understanding of internal control and identify risk areas

Determine materiality level

Audit involves sampling using statistical methods and judgment

Understanding of policies/procedures/internal controls

- Entity-wide controls
- Revenue/receipts procedures
- Expenditure/disbursement controls
- Payroll controls

Testing of account balances/transactions

- Examine documentation of material account balances and those with potential risk
- Look for material misstatements based on calculated materiality amounts

Testing of compliance

- STA's administration of Measure A funds in accordance with Ordinance
- Recipients' use of Measure A funds in accordance with Expenditure Plan
(sample of jurisdictions selected by STA: RT, County of Sacramento on-going and capital, Galt, Elk Grove, Isleton, City of Sacramento on-going and capital, CalTrans capital and Connector JPA capital)

Compliance with the Abandoned Vehicle Handbook and California Vehicle Code Section 22710

STA's compliance with PUC Division 19 related to Local Transportation Authority Laws Appropriation Limit compliance, as required by the California Constitution.

Prepare the Annual Financial Report in accordance with GASB and GFOA, for submission for Award

Timing of Audit

Fieldwork

- Interim – July 27
- Year-end – September 18-22

Final reports provided by late November for December ITOC and Board meeting

GFOA deadline for award – December 31, 2023