



AGENDA ITEM: F1

**CITY OF WAUKEE, IOWA
CITY COUNCIL MEETING COMMUNICATION**

MEETING DATE: August 16, 2021
AGENDA ITEM: Denman & Company on upcoming FY2021 audit
FORMAT: Presentation

SYNOPSIS INCLUDING PRO & CON: A representative of Denman & Company will be present to discuss the upcoming audit. GASB regulations require that the company performing the City's annual audit discuss the matter with Council beforehand.

FISCAL IMPACT INCLUDING COST/BENEFIT ANALYSIS:

COMMISSION/BOARD/COMMITTEE COMMENT:

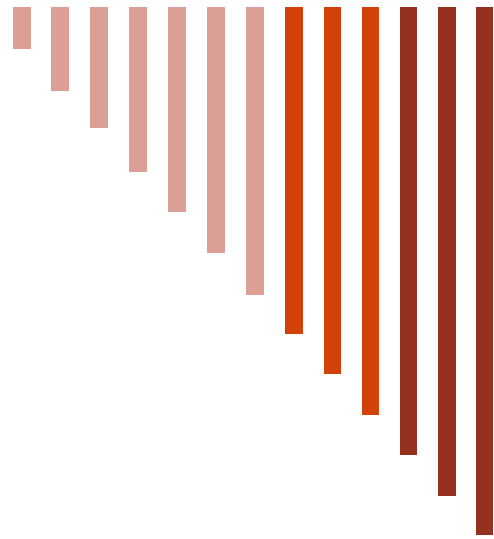
STAFF REVIEW AND COMMENT:

RECOMMENDATION:

ATTACHMENTS: I. Presentation

PREPARED BY: Becky Schuett

REVIEWED BY:



The City of Waukeee

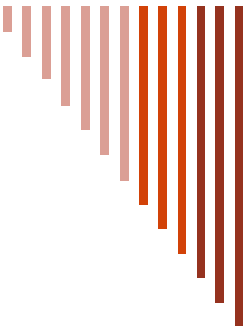
Communication with Those Charged with Governance

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DENMAN
& COMPANY, LLP

August 16, 2021



Responsibilities Under Auditing Standards Generally Accepted in the United States of America (GAAS) and Government Auditing Standards (GAS)

□ Auditor:

- Express opinions on financial statements in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP)
- Evaluate presentation of supplementary information in relation to the financial statements as a whole

□ Management:

- Responsible for financial statements, all accompanying information and representations therein
 - Responsible for establishing and maintaining effective internal controls
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Significant Risks of Material Misstatement

- Non-routine transactions
 - Unique or irregular transactions (i.e. IFA sponsored project)
 - Change in accounting policies/new accounting standards
 - Judgmental matters requiring estimates
 - Depreciation
 - OPEB obligations
 - Allowance for collection losses
 - Net pension liability
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Internal Control

- Internal control will be considered for the purpose of determining audit procedures, not to provide assurance on internal control
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Materiality- Benchmarks

□ Quantitative

- Computed for each opinion unit using:
 - Total receipts
 - Total assets

□ Qualitative

- Based on risk
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Materiality – Factors Considered

- Council oversight
 - Funded by tax payors, accountability
 - Cash basis to accrual basis entries
 - Uniform Guidance audit matters, when applicable
 - Significance of debt
 - Capital assets
 - Opinion units
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Timing

- Fieldwork August 23rd – September 3rd
 - Delivery of final audit report at a November 2021 Council meeting
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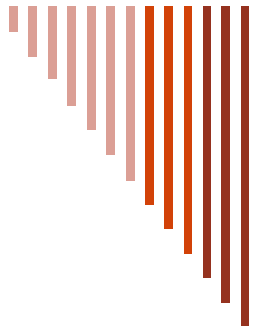
Council Views Regarding

- ❑ Business risks that may result in material misstatements due to fraud or error
 - ❑ Matters that warrant particular attention during the audit
 - ❑ Significant communications with regulators
 - ❑ Other matters relevant to the audit
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Council Comments

Questions



**Thank you for the
opportunity to serve you.**
