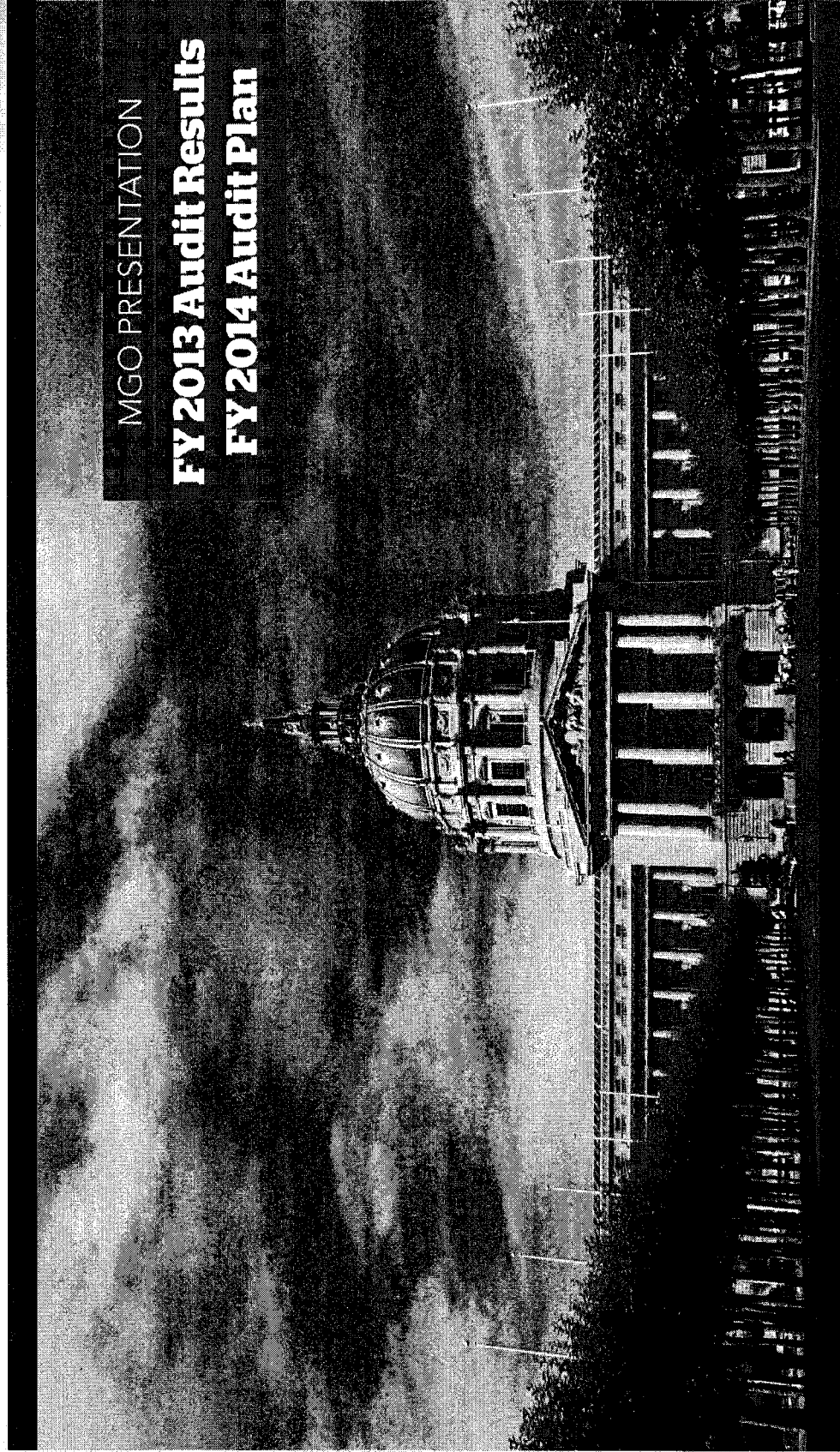




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MGO PRESENTATION

**FY 2013 Audit Results  
FY 2014 Audit Plan**

May 22, 2014

MGO Presentation to the GAO

# Scope of MGO Audits



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- Deliverable Reports
  - Comprehensive Annual Financial Report (CAFR)
  - Report to the Government Audit and Oversight Committee
  - Single Audit Reports
- Our Audit Scope
  - All City funds except Health Service System, Airport, Public Utilities Commission, Municipal Transportation Agency, and the Market Corporation (these are audited by other auditors)

MGO Presentation to the GAO

# **FY 2012-13 Audit Results**

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- Comprehensive Annual Financial Report (CAFR)
  - Unmodified opinion
- Report to the Government Audit and Oversight Committee
  - Required communications
  - Current year recommendation
  - Status of prior year recommendations
- Single Audit Reports
  - Unmodified opinion
  - Current year recommendation
  - Status of prior year recommendations

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# **FY 2012-13 Audit Results**



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## Report to the Government Audit and Oversight Committee

- Required communications
  1. Qualitative aspects of accounting practices
  2. Difficulties encountered in performing the audit
  3. Corrected and uncorrected misstatements
  4. Disagreements with management
  5. Management representations
  6. Management consultations with other independent accountants
  7. Other audit findings or issues
  8. Other Information in Documents Containing Audited Financial Statements



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# **FY 2012-13 Audit Results**

Report to the Government Audit and Oversight Committee

- Current year recommendation 2013-1 (other matter)  
*Governance of Payroll Process*

## General City

- Conversion to the eMerge PeopleSoft payroll system creates a need to revisit and evaluate the applicability of policies and procedures over the payroll process

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# **FY 2012-13 Audit Results**

Report to the Government Audit and Oversight Committee

Prior year recommendations

- 2012-1 (material weakness)  
*Internal Control Over Financial Reporting – Preparation of Financial Statements*
  - The Successor Agency increased financial administration capacity and improved internal controls by contracting with the City for additional financial reporting and administrative assistance.
- 2012-2 (informational)  
*New Pension Accounting Standards*
  - The Retirement System is currently preparing for the implementation of the new standards for pension plans. The City is working with the Retirement System to prepare for implementation of the standards for employers.

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# **FY 2012-13 Audit Results**



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## Single Audit Reports

- Unmodified opinion
- 16 major programs across 15 City departments
- 1 compliance finding

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## **FY 2012-13 Audit Results**

Single Audit Reports – Current Year Finding

- 2013-001 Subrecipient Monitoring  
Non-compliance  
CFDA No. 93.044, 93.045, 93.053    Aging Cluster
  - Administered by the Human Services Agency
  - Did not communicate the CFDA number to subrecipients at the time of subawards, although the information was communicated during the award period



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## **FY 2012-13 Audit Results**

### Single Audit Reports – Prior Year Findings

– Corrective actions were implemented

- 2012-2 Subrecipient Monitoring

CFDA No. 93.914 HIV Emergency Relief Project Grants

CFDA No. 93.940 HIV Prevention Activities

– Administered by the Department of Public Health

- 2012-3 Indirect Costs

CFDA No. 81.128 ARRA-Energy Efficiency and Conservation Block Grant Program

– Administered by the Department of Environment

- 2012-4 Internal Control over Reporting

CFDA No. 97.067 Homeland Security Grant Program

– Administered by the Department of Emergency Management

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# **FY 2013-14 Audit Plan**

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- Audit Scope
  - All City funds except Health Service System, Airport, Public Utilities Commission, Municipal Transportation Agency, and the Market Corporation (these are audited by other auditors)
- Audit Timing (page 5)
- Engagement Communications (page 11)
- New GASB accounting and reporting requirements:
  - Statement no. 65, *Items Previously Reported as Assets and Liabilities*
  - Statement no. 67, *Financial Reporting for Pension Plans*

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● **Any questions?**

