



**Audit Committee
Committee Meeting Agenda
September 19, 2022
10:00 AM
Online**

I. Zoom Meeting Information

Due to circumstances regarding the COVID-19 pandemic, this meeting will be held online only. Members of the public may access live audio and/or video at the following link:

<https://us02web.zoom.us/j/2145398964>

Meeting ID: 214 539 8964 Phone: 1-312-626-6799

II. Call to Order

III. Approve Agenda

IV. Approve Minutes

Approval of January 18, 2022 Audit Committee Meeting Minutes

V. Old Business

VI. New Business

Election of Chair and Vice Chair

Preliminary Audit Presentation from Schwalter & Jabouri

VII. Adjournment



**Audit Committee
Committee Meeting Minutes
January 18, 2022
11:00 AM
Online**

I. Zoom Meeting Information

Due to extreme circumstances regarding the COVID-19 pandemic, this meeting will be held online only. Members of the public may access live audio and/or video at the following link:

<https://us02web.zoom.us/j/83142528807>

Meeting ID: 831 4252 8807 Phone: 1-301-715-8592

II. Call to Order

Dan Tierney	Vice-Chair	(Absent)
Heather Silverman	Chair	
Nicole Greer	Committee Membe	
Betty Kagan	Committee Member	
Cynthia Jordan	Committee Membe	
Lori Obermoeller	Director of Finance	
Tracy Brothers	Senior Accounting Associate	
Janice Smith	Auditor	
Christina Jacquin	Auditor	

III. Approve Agenda

Motion to Approve Agenda

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Betty Kagan, Committee Member
SECONDER:	Nicole Greer, Committee Membe
AYES:	Silverman, Greer, Kagan, Jordan
ABSENT:	Tierney

IV. Approve Minutes

Approval of September 23, 2021 Audit Committee Meeting Minutes

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Nicole Greer, Committee Membe
SECONDER:	Betty Kagan, Committee Member
AYES:	Silverman, Greer, Kagan, Jordan
ABSENT:	Tierney

V. Old Business

Minutes Acceptance: Minutes of Jan 18, 2022 11:00 AM (Approve Minutes)



**Audit Committee
Committee Meeting Minutes
January 18, 2022
11:00 AM
Online**

VI. New Business

Review of the Fiscal Year 2021 Audit

Ms. Smith and Ms. Jacquin from Schowalter & Jabouri presented the FY2021 audit results to the Audit Committee. Ms. Jacquin stated they prepared the audit in two phases, first in the interim work and the second in the final field work. The city worked with the Auditors to prepare the ACFR, the Comprehensive Annual Financial Report which goes above and beyond what is required by the government accounting standards.

Ms. Jacquin reviewed the government wide and financial statements with the Committee. The City's fund balance for FY21 is approximately \$27M, with an increase of \$2.7M over FY20.

Ms. Jacquin explained in the current year the city reported prior year adjustments that restated the net position as of 6/30/2020. In order to correct the statement, the capital assets were identified as a result of strengthening internal controls procedures for capital asset maintenance. These changes impacted both the government wide statements and the fund statements.

GASB 84 was initiated in FY21 related to fiduciary period activities. As a result of this implementation the escrow and court bond funds, that were previously classified as agency funds, were reclassified to general fund activity. The funds are now referred to as custodial funds.

Ms. Jacquin stated the most significant upcoming pronouncement is GASB 85 which is related to leases. This is effective for the fiscal year ending 6/30/2022.

Ms. Kagan asked to have more clarification of the comments concerning internal controls and other significant matters. Ms. Jacquin responded; the changes were made due to the city strengthening their internal controls. She stated that she does not expect this to be repeated. Ms. Obermoeller explained that every year we have the City Engineer review the infrastructure assets which are mainly the streets. The city has them broken down by categories such as concrete streets, asphalt streets, sidewalks, etc. There were some streets that were miscategorized and as a result this meant going back to the prior period to reclassify into the correct category. This was a lot of work for all staff and auditors involved. The second adjustment was due to a couple of assets that were purchased in August of 2020 in FY21. When they were purchased, they used the purchase order from the prior fiscal year 2020, the purchase order had been encumbered in the prior fiscal year. The purchase order should have been re-budgeted in FY21. Since this did not happen the expense was posted in FY20. The city had to do a prior year adjustment to move the expense to FY21 when the assets were actually purchased.

Ms. Kagan asked if this could be stated so that it is clear that the adjustment happened in FY21. She stated it was unclear to her when it actually happened. Ms. Smith stated that this is actually a foot note in the financial statements to reflect that it is a prior year adjustment. This will be the only time you will see this comment.

The current year matters were reviewed. The risk assessment will be removed once the city forwards the risk assessment to the auditors. The Staff and Auditors met weekly to discuss the status of the audit and any questions or concerns they had. This also helped staff and the auditors to address any issues and problems that arose in a timely matter.

Preliminary Draft ACFR

Preliminary Draft RIC

Minutes Acceptance: Minutes of Jan 18, 2022 11:00 AM (Approve Minutes)



**Audit Committee
Committee Meeting Minutes
January 18, 2022
11:00 AM
Online**

Preliminary Draft RTAC

Preliminary Draft SAR

VII. Adjournment

Motion to Adjourn Meeting

Meeting adjourned at 11:37 AM.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nicole Greer, Committee Membe
SECONDER:	Betty Kagan, Committee Member
AYES:	Silverman, Greer, Kagan, Jordan
ABSENT:	Tierney

Minutes Acceptance: Minutes of Jan 18, 2022 11:00 AM (Approve Minutes)

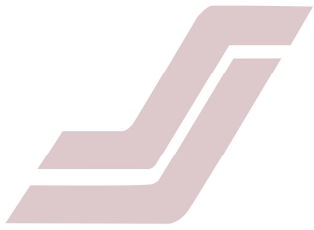
CITY OF CREVE COEUR, MISSOURI

Audit Committee Presentation
Audit for Year Ended June 30, 2022
September 19, 2022



SCHOWALTER & JABOURI, P.C.

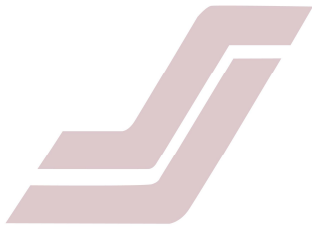
Certified Public Accountants & Advisors



OUTLINE

- § Audit Team
- § Roles and Responsibilities
- § Scope of Services
- § Timeline
- § Review of the Audit Process
- § Areas of Audit Emphasis
- § Fraud Considerations
- § Independence Requirements
- § Significant New and Emerging Accounting Pronouncements – Current Year
- § Significant New and Emerging Accounting Pronouncements – Future Years

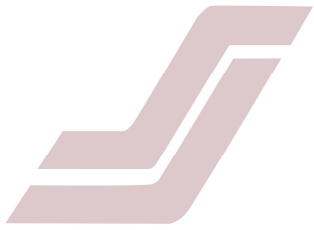




AUDIT TEAM

- § Jamie Jabouri—Firm President
- § Janice Smith—Director of Attest Department
- § Christina Jacquin—Attest Senior Manager
- § Audit staff

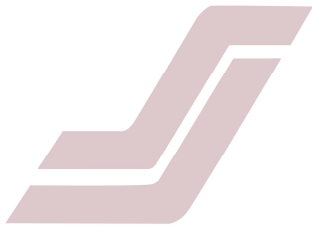




ROLES / RELATIONSHIPS

- § Auditors report to for the Council/Audit Committee
- § Work FOR the Council/Audit Committee
- § Work WITH management
- § Audit oversight
- § Financial statement are “prepared by management with the oversight of the Audit Committee”





SCOPE OF SERVICES

Audit of Financial Statements and
Federal Awards (if required)

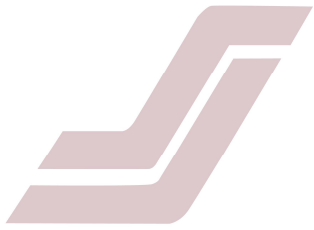
Auditors' Reports to be Issued

Other Communications

§ Communication with those charged with
governance (Audit Committee)

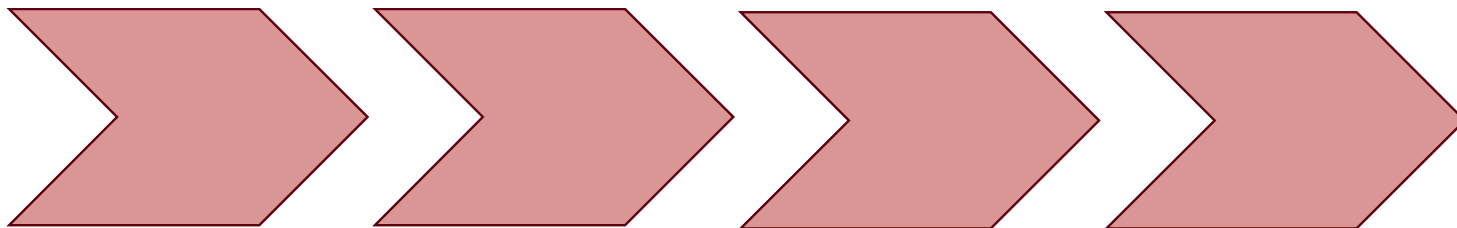
§ Communication of internal control related matters
and advisory letter recommendations

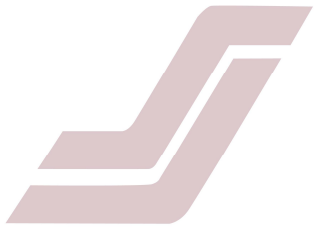




TIMELINE

- § Preliminary Audit Fieldwork – June 2022
- § Audit Committee Meeting – September 19, 2022
- § Final Fieldwork Begins – October 3, 2022
- § Presentation to the Audit Committee and City Council– TBD





REVIEW OF 2022 AUDIT PROCESS

∅ Planning

- § Review/updated understanding of internal controls
- § Consideration of fraud risk factors
- § Discussion with management and Audit Committee
- § Development of audit plan

∅ Fieldwork

- § Focus on higher risk areas
- § Regular status updates
- § Management representations
- § Concurring partner review

∅ Conclusion

- § Presentation to Audit Committee and City Council



1. Planning



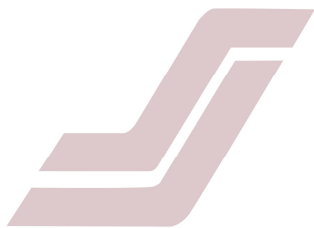
2. Fieldwork



3. Reporting

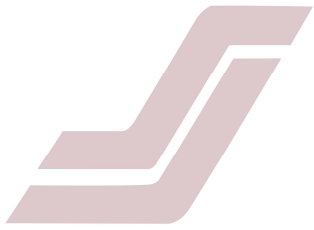


4. Follow-up



AREAS OF AUDIT EMPHASIS

- § Cash and Investments
- § Revenue/Receipts and Accounts Receivables
- § Expenditures/Disbursements, Accounts Payable/Accruals and Debt
- § Payroll and Related Liabilities
- § Capital Assets
- § Federal Programs (as applicable)
- § State Compliance and Reporting
- § Accounting Policies, Judgments and Estimates



FRAUD CONSIDERATIONS

- § AU-C Section 240 was issued to heighten the awareness of auditors to the potential for fraud when planning and executing the audit.
- § Types of fraud
- § Fraud triangle
- § Auditors' responsibilities
- § Audit procedures
 - ∅ Information gathering
 - ∅ Focus on fraud risks identified
 - ∅ Responses to identified fraud risks

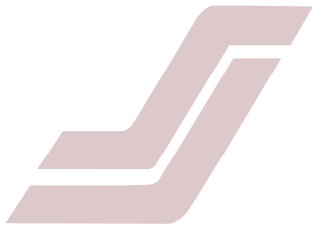




INDEPENDENCE REQUIREMENTS

- § Revised Government Auditing Standards
- § Impact engagements performed under GAGAS (generally accepted government auditing standards)
- § New rules to enforce transparency and accountability
- § Changes to independence standards
- § Auditor assistance in financial statement preparation creates a threat to independence for which safeguards must be applied to maintain independence
- § Responsibility of management and auditors to ensure independence is maintained



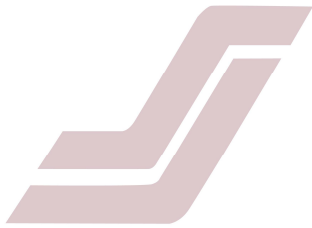


SIGNIFICANT NEW AND EMERGING ACCOUNTING PRONOUNCEMENTS – CURRENT YEAR

Effective for Fiscal year 2021-2022

- § GASB Statement No. 87, Leases (June 2017)
- § GASB Statement No. 92, Omnibus 2020 (January 2020)
- § GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (June 2020)



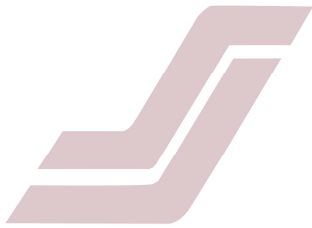


SIGNIFICANT NEW AND EMERGING ACCOUNTING PRONOUNCEMENTS – FUTURE YEARS

Effective for Fiscal year 2022-2023

- § GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (March 2020)
- § GASB Statement No. 96, Subscription-Based Information Technology Arrangements (May 2020)





SIGNIFICANT NEW AND EMERGING ACCOUNTING PRONOUNCEMENTS – FUTURE YEARS (CONTINUED)

Effective for Later Fiscal Years

- § GASB Statement No. 99, Omnibus 2022 (April 2022)
- § GASB Statement No. 100, Accounting Changes and Error Corrections—An Amendment of GASB No 62 (June 2022)
- § GASB Statement No. 101, Compensated Absences (June 2022)



CONCLUDING THOUGHTS

Any questions from the Audit
Committee?

jsmith@sjcpa.com
cjacquin@sjcpa.com



SCHOWALTER & JABOURI, P.C.

Certified Public Accountants & Advisors