



Audit Entrance

Better Together: Moss Adams & Metro

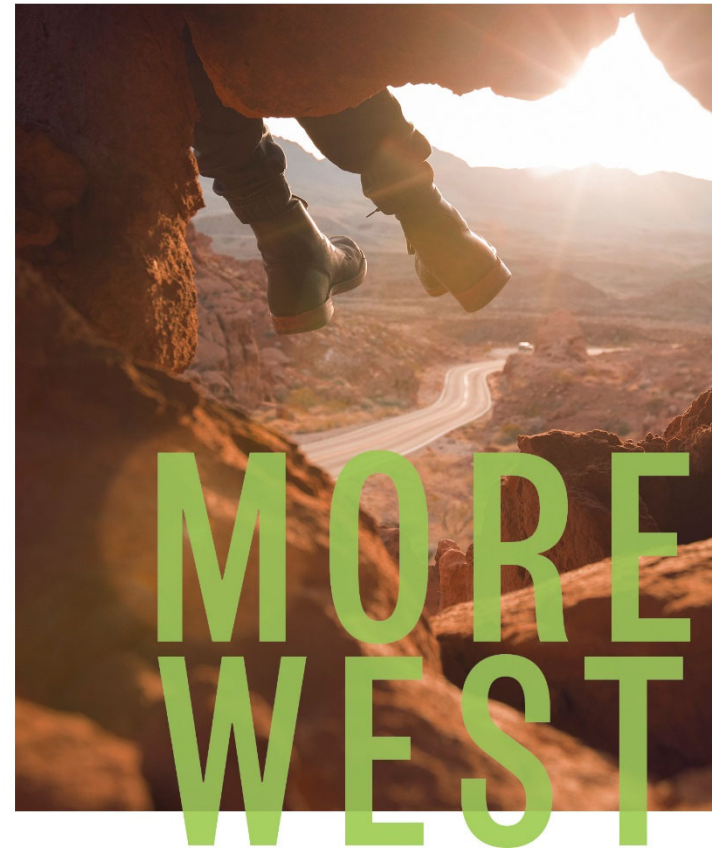
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Audit Committee

Dear Audit Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for state and local governments. We're pleased to present our audit plan for Metro for the year ending June 30, 2023. We'd also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.



Your Dedicated Team



Ashley Osten
*Engagement Reviewer
and Partner*



Laurie Tish
*Concurring Reviewer
and Partner*



Anna Waldren
Senior Manager



Leila Annen
*Senior Manager,
MAAS-IT Consulting*



Required Communications to Those Charged with Governance



Our Responsibilities

Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit doesn't relieve you or management of your responsibilities.

Perform an audit in accordance with:

- Generally accepted auditing standards issued by the AICPA
- *Government Auditing Standards* issued by the Comptroller General of the United States

Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings that are relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.

When applicable, communicate particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement.



Audit Process



Internal Controls

- Includes walkthroughs and testing of key controls over significant accounting cycles
- Includes information technology



Analytical Procedures

- Revenue and expenses
- Trends, comparisons, and expectations



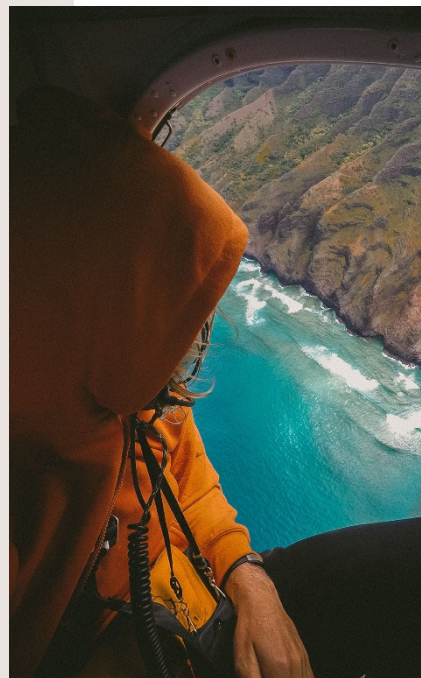
Substantive Procedures

- Confirm account balances
- Vouch to supporting documentation
- Representations from attorneys and management
- Examine objective evidence



What's Materiality?

It's the amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.



It's calculated using certain **quantitative** (total assets) and **qualitative** factors (covenants, expectations, or industry factors)

It identifies:

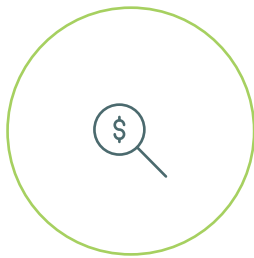
**SIGNIFICANT
RISK AREAS**

**NATURE,
TIMING, EXTENT,
AND SCOPE OF
TEST WORK**

**FINDINGS OR
MISSTATEMENTS**



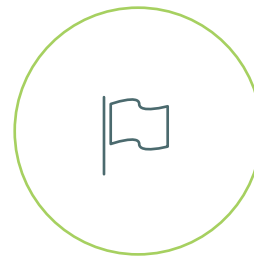
Significant Audit Areas



**EXISTENCE OF
CASH AND
VALUATION OF
INVESTMENTS
ALONG WITH
RELATED
FINANCIAL
STATEMENT
DISCLOSURES**



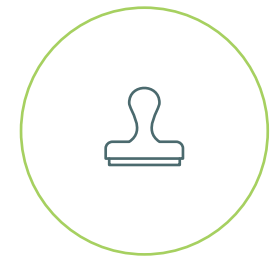
**REVENUE
RECOGNITION
AND VALUATION
OF RECEIVABLES
AND ADVANCES**



**EXISTENCE AND
VALUATION OF
CAPITAL ASSETS**



**COMPLETENESS
OF BONDS
PAYABLE AND
RELATED
FINANCIAL
STATEMENT
DISCLOSURES**



**COMPLIANCE
WITH FEDERAL
LAWS AND
REGULATIONS
AND OREGON
MINIMUM
STANDARDS**



Information Technology Assessment

Scoping

Financial Applications

- PeopleSoft Financials
- PeopleSoft HRMS
- Ungerboeck (USI)
- Weighmaster

Supporting Infrastructure

- Active Directory

Planned Procedures

Cybersecurity Questionnaire

Follow-up on PY deficiencies

Design & Operating Effectiveness of ITGCs

- Change Management
- Operations
- Security

Schedule

Advanced Request List

- Week of April 3rd

Fieldwork

- Weeks of April 24th through May 8th
- Rollforward (UAR Testing), TBD

Observation Memo

- *Pending rollforward completion*

Final Results

- November Audit Committee



Consideration of Fraud



AUDITORS MUST CONSIDER FRAUD TO “IMPROVE THE LIKELIHOOD THAT AUDITORS WILL DETECT MATERIAL MISSTATEMENTS DUE TO FRAUD IN A FINANCIAL STATEMENT AUDIT.”

To identify fraud-related risks of material misstatement, we:

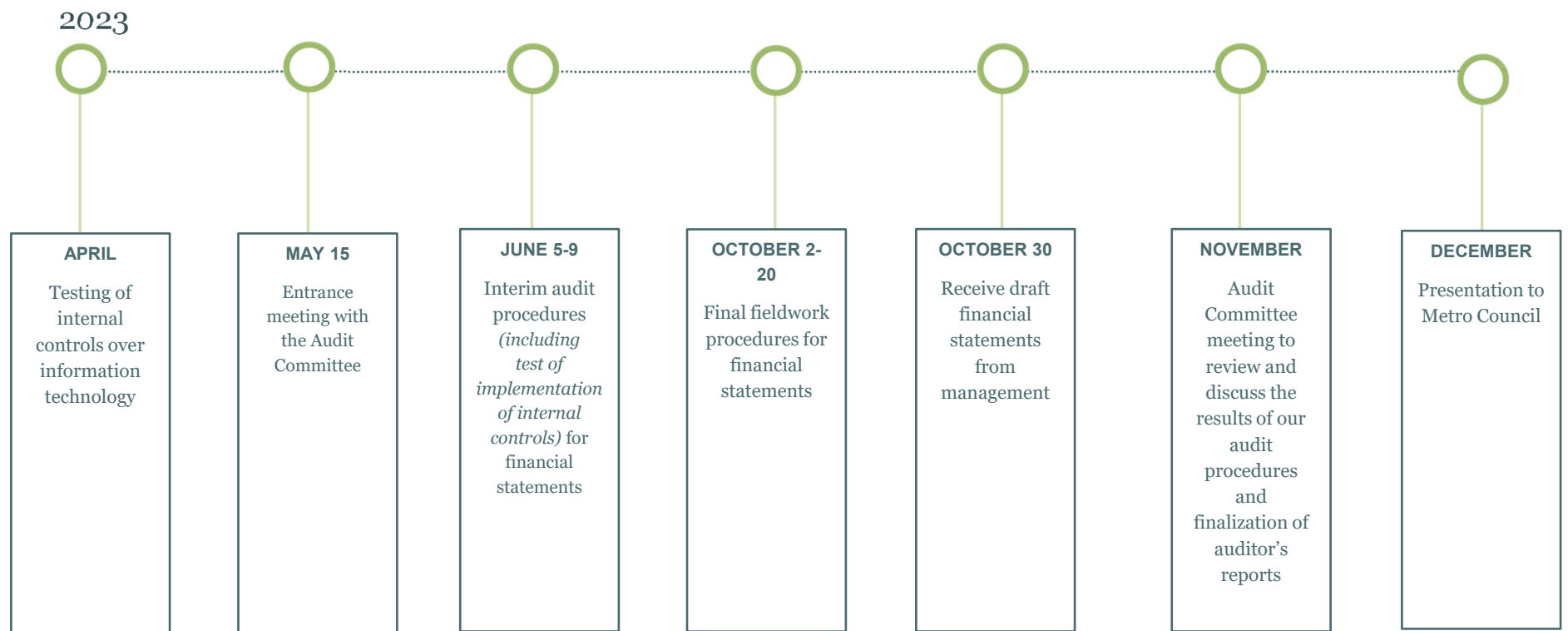
- Brainstorm with team
- Meet with Metro Auditor
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions



Audit Timing



Recent Accounting Developments





Standards to be Adopted in 2023

GASB 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Improves financial reporting through establishing definitions of public-private and public-public partnership arrangements and availability payment arrangements and providing guidance on accounting and reporting for transactions that meet those definitions.

GASB 96, Subscription-Based Information Technology Arrangements

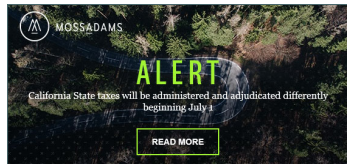
Provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users.



INDUSTRY FOCUS

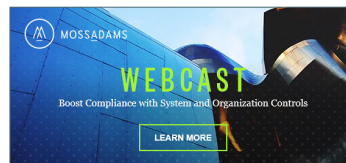
An Array of Resources

In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and in the format that fits your life.



Articles & Alerts

Industry-specific insight and important tax and assurance updates



Webcasts

On demand and live sessions with our professionals on technical and timely topics



Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape



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THANK
YOU