

Town of Los Gatos

Audit Plan Summary

JUNE 30, 2025



Chavan and Associates, LLP
Certified Public Accountants

ATTACHMENT 1

Auditing Standards

- **AICPA's Statements on Auditing Standards**
- **GAO/GAGAS**
- **Auditor's Objective**
- **Reasonable Assurance**
- **Materiality**
- **Independence**

Significant Areas and Risk Areas - Interim

- Federal compliance: **DOT AL# 20.205**
- Cash receipts. **No Exceptions, 3 sites and 25 transactions.**
- Payroll and payroll allocations between departments, funds and sources. **Sampled 10 employees over four pay periods and recalculated their pay in addition to onboarding controls testing and position control.**
- Disbursements and purchases. **Sampled 30 transactions with zero deviations.**
- Credit cards. **Sampled 5 employees and 15 transactions with zero deviations.**
- Bid testing. **Sampled 3 contracts/projects without exception.**
- Measure G. **Pending**

Significant Areas and Risk Areas - Year-end

- Journal Entries
- Cash and Investments
- AR and Revenue
- Capital Assets
- Measure G
- Fund Balance and Net Position
- Interfund Transactions
- Accounts Payable and Expenditures
- Pensions and OPEB
- TDA
- Liabilities

Timeline

- Interim testing done
- Year-end testing 9/29-10/3
- Year-end exit conference 10/10
- List of recommendations 10/17
- List of audit adjustments 10/17
- Draft reports and letters 10/24
- Final reports and letters 11/14
- Report to commission and council as needed.

Questions

