Town of Los Gatos
Audit Plan Summary

JUNE 30, 2022

Chavan and Associates, llp
Certified Public Accountants

ATTACHMENT 1

Audit Process

1. • Audit Planning & Preparation
2. • Audit Execution
3. • Audit Reporting
4. • Follow-up

Auditing Standards

◦ **AICPA's Statements on Auditing Standards**

◦ **GAO/GAGAS**
  ◦ **We will conduct our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States**

Audit Objective/Responsibilities

Objective

◦ To express an opinion on the financial statements based on our audit.

Responsibilities

◦ Plan and perform the audit to obtain **reasonable assurance** about whether the financial statements are free from material misstatement.

Audit Objective/Responsibilities

Responsibilities Continued

- ◦ An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

- ◦ The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

- ◦ In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but ***not for the purpose of expressing an opinion on the effectiveness of the Town's internal control***.

Significant Areas and Risk Areas

◦ Federal compliance: ARPA grant

◦ Payroll and payroll allocations between departments, funds and sources.

◦ Disbursements and purchases

◦ Cash, AR, Capital Assets, Interfund Transactions, AP, other liabilities and Fund Balance.

◦ Pensions and OPEB

◦ GASB 87: Leases

Timeline

◦ Interim testing 5/2 through 5/9

◦ Year-end testing 9/26 through 9/30

◦ Year-end exit conference 9/30

◦ List of recommendations and audit adjustments 10/21

◦ Draft reports and letters 11/4

◦ Final reports and letters 11/25

◦ Report to commission and council, as needed.

Questions