



# **City of San Antonio Audit & Accountability Committee**

## **External Audit Required Communications**

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Assistant Finance Director &

**Angela Dunlap, CPA**

BKD, LLP

September 15, 2020

# External Audit Services



External audit ensures City records are properly maintained, free from material misstatement, and comply with established concepts, principles, and accounting standards



Provides a true and fair view of the financial statements of the City



Required under the provisions of the City Charter



Required by State Statute

# Internal Audit Services

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Performs financial, fiscal compliance & other audits as directed by the Audit & Accountability Committee



Review tends to be more programmatic and specific in nature



Required under the provisions of the City Charter

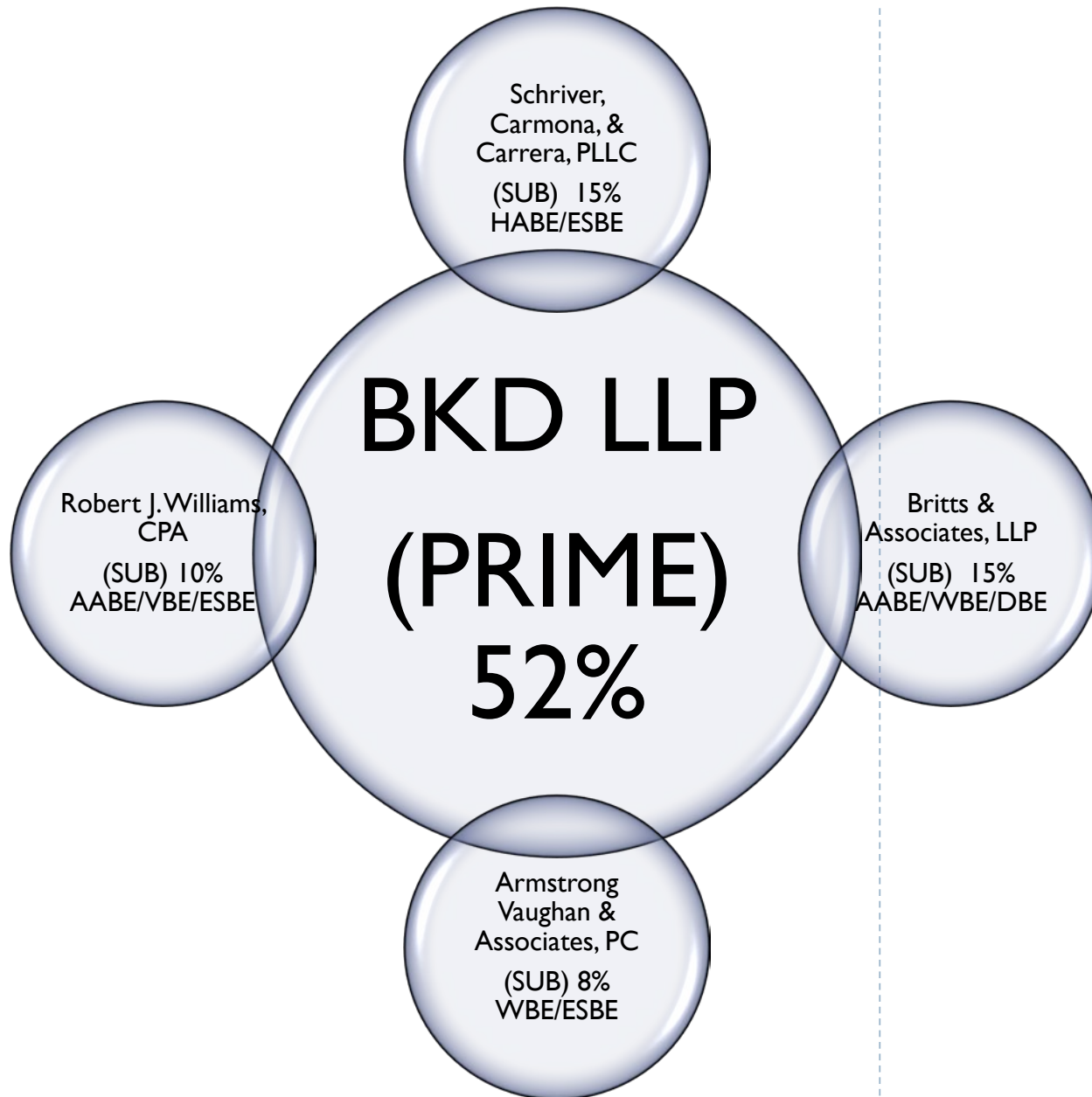


Reports to the Audit & Accountability Committee

# FY2017 – FY2021 Contract Fees

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- ▶ **Grant Thornton Contract**
  - ▶ \$4,485,000- Total Pricing/Fees for 5 year contract term
    - ▶ \$830,000 – Fiscal Year 2017
    - ▶ \$860,000 – Fiscal Year 2018
    - ▶ \$895,000 – Fiscal Year 2019
    - ▶ \$930,000 – Fiscal Year 2020 (assigned to BKD)
    - ▶ \$970,000 – Fiscal Year 2021





**FY2020 Planning Presentation to  
Audit and Accountability  
Committee of the City of San  
Antonio, Texas**



# Items covered in our letter

- › BKD's responsibilities
- › Responsibilities of those charged with governance
- › Significant risks
- › Component units and use of other auditors
- › Teaming partners

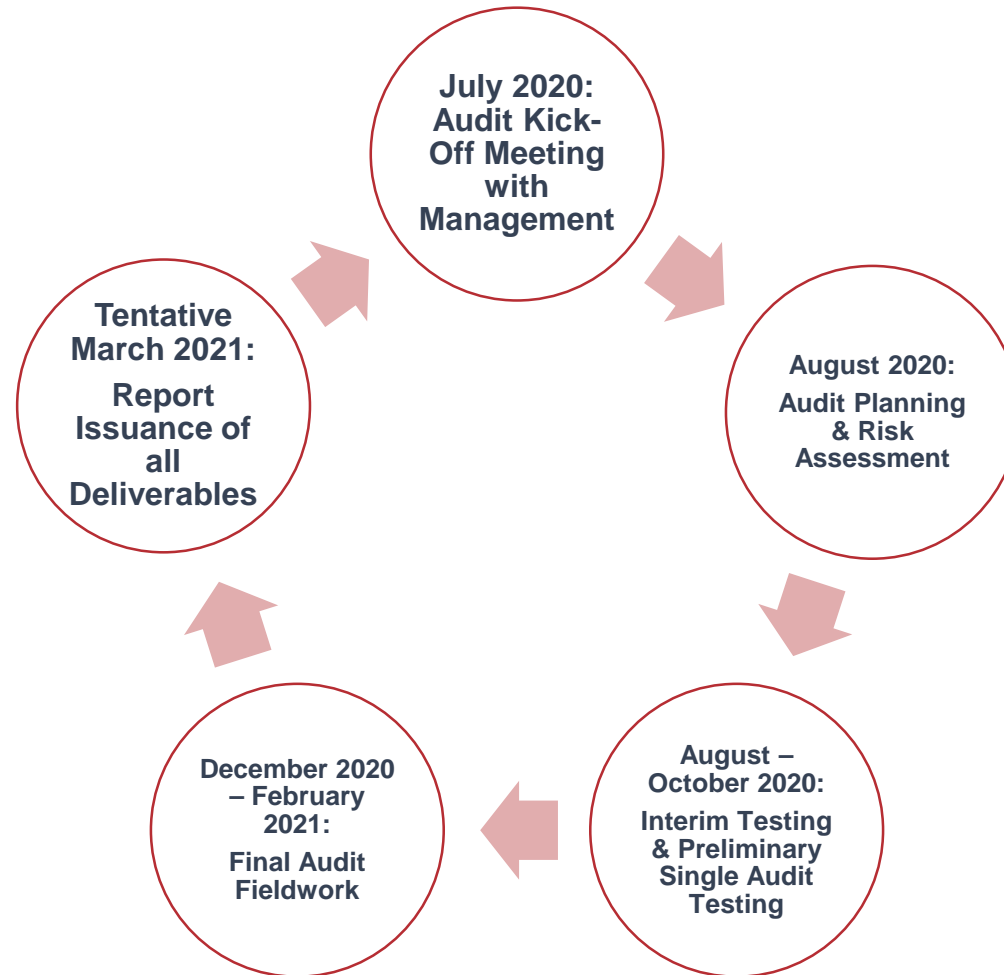
# Views of those charged with governance

## Discussion Points

- › Knowledge of any significant known or suspected fraud
- › Any specific risks of error or fraud that the City has identified
- › Audit Committee Oversight
- › Any noncompliance with requirements of laws or regulations
- › Known internal control deficiencies/overall view of internal control structure
- › Any concerns over relationships or transactions with related parties
- › Significant and unusual transactions entered into during the year
- › Known data breaches, ransomware attacks, or other cybersecurity events



# Audit Timeline



# Materiality

Materiality is the magnitude of an omission or misstatement that likely influences a reasonable person's judgment. It is ordinarily evaluated against relevant financial statement benchmark(s).

- › We believe that total assets, total revenues, or total expenses/expenditures is the appropriate benchmark for the major funds of the City's financial statements dependent upon the type of fund.
- › We believe total expenditures for each major program are the appropriate benchmarks for the City's federal and state Single Audit.

Financial statement items greater than materiality are within our audit scope. Other accounts or classes of transactions less than materiality may be in our scope if qualitative risk factors are present (for example, related party relationships, bond coverage, fraud risk or significant unusual transactions).

# Audit Deliverables to be Completed

City of San Antonio  
Comprehensive  
Annual Financial  
Report (CAFR)

Single Audit under  
Uniform Guidance

Single Audit under  
State of Texas  
Uniform Grant  
Management  
Standards

Passenger Facility  
Charge Report

Texas Commission  
on Environmental  
Quality Agreed Upon  
Procedures Report

# Tentative Major Programs for Single Audit Testing - Federal



# Current Major Programs for Single Audit Testing - State



Local Park Grant Program

Child Care Services

Highway Planning and Construction

# Accounting & Auditing Matters – Pronouncements Effective for FY2020

GASB Statement No. 89, Omnibus 2020 paragraphs 11 and 13

GASB Statement No. 95, Postponement of the Effective Dates of  
Certain Authoritative Guidance

GASB Statement No. 97, Certain Component Unit Criteria, and  
Accounting And Financial Reporting for IRC Section 457 Deferred  
Compensation Plans paragraphs 4 and 5

# Questions?

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# Thank You!

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