



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson  
FROM: Sue Fahey, Chief Financial Officer; TiaMarie Harwood, Interim General  
Accounting Supervisor  
DATE: November 22, 2017  
SUBJECT: 2017 Year-end Audit Planning  
OBJECTIVE: Information Only

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## **Issue**

EWEB is required to have annual financial audits, audits related to the receipt of federal funds, and audits of the EWEB Retirement Benefits Trust. The Board approved a new contract with Moss Adams in July 2017 to provide audit services which include planning meetings with the Board and communication of internal control issues. Additionally, the contract allows for technical financial consultation, review of bond offering documents, and other services, such as internal training, as agreed upon.

## **Discussion**

During the week of October 16, 2017, Moss Adams was onsite performing interim audit procedures. This preliminary audit work provides Moss Adams with an understanding of EWEB and its environment. Audit procedures include testing internal controls on both manual and system processes. Controls tested include, but are not limited to, revenue, disbursements, payroll, plant assets, and financial reporting. The auditors also analyze revenues and expenses for trends versus expectations based on their knowledge of EWEB and the utility industry. To further substantiate recorded financial transactions, the auditors review supporting documentation such as bank statements and invoices, request independent verification of account balances, and receive representations from attorneys and financial management. Audit plans are also required to include procedures that are considered to be unpredictable by management and tests and inquiries over fraud risk. If Moss Adams becomes aware of any matters involving internal control or EWEB's operations during the audit that are considered to be significant deficiencies or material weaknesses under standards established by the American Institute of Certified Public Accountants, they will communicate them in writing to Management and the Board. Material weaknesses may also result in a modified opinion if the auditors are unable to conclude the financial statements are free from material misstatement.

Final audit fieldwork is scheduled for February 2018, and the financial statements and management letter will be presented to the Board at the April, 3, 2018 meeting.

## **Recommendation and Requested Board Action**

This item is information only.