



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Mital, Simpson, and Helgeson
FROM: Sue Fahey, Chief Financial Officer; Deborah Hart, Interim Finance Manager and Ben Ulrich, Interim General Accounting Supervisor
DATE: November 21, 2018
SUBJECT: 2018 Year-end Audit Planning
OBJECTIVE: Information Only

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 has contracted with Moss Adams to perform these services.

Discussion

In October, Moss Adams performed onsite interim audit procedures as part of the annual financial audit. This preliminary audit work provides Moss Adams with an understanding of EWEB and its business environment. Interim audit procedures included testing internal controls on both manual and system processes. Significant areas tested included, but were not limited to, revenues, disbursements, payroll, plant assets, and financial reporting. The interim audit work performed in October will help reduce final audit work after the year is complete.

Final audit fieldwork is scheduled for February 2019. To substantiate financial transactions, the auditors will review supporting documentation such as bank statements and invoices, request independent verification of account balances, and receive representations from attorneys and Management. The auditors will also analyze transactions for trends versus expectations based on their knowledge of EWEB and the utility industry. In addition to standard procedures, audit plans also include other tests and inquiries to address fraud risk. At the conclusion of the audit, Moss Adams will communicate in a management letter any significant matters they become aware of through the course of their inquiry and procedures. They also will issue an opinion stating whether or not the Board's financial statements are presented fairly in accordance with generally accepted accounting principles.

The audited financial statements and management letter will be presented to the Board at the April 2019 meeting.

Recommendation and Requested Board Action

This item is information only.