

MEMORANDUM

TO: Audit Committee

FROM: Chris Nolet
Audit Committee Member

SUBJECT: Consider recommending to the Board of Trustees to include supplemental funding in the FY2023/24 budget for audit-related activities.

STRATEGIC

PLAN REFERENCE(S): Transparency and Fiscal responsibility

DATE: March 30, 2023

I. RECOMMENDATION

It is recommended that the Audit Committee consider a recommending to the Board of Trustees to include supplemental funding in the FY2023/24 budget for audit-related activities.

II. BACKGROUND

The draft preliminary budget being developed for FY2023/24 provides funding to cover the cost associated with the annual audit of the District's financial statements, consistent with the terms of the multi-year contract with the Independent Auditor, DavisFarr, LLP. This amount for FY2023/24 is \$50,300.

For the current year (FY2022/23), the budget for audit-related activities was augmented by \$20,000. This funding covered the cost of two supplemental engagements performed by DavisFarr, related to a review of compliance with Purchasing and Contracts policies and procedures as well as compliance with Capitalization polices.

Based on the results and findings in recent financial audits as well as a desire to better identify potential internal control issues impacting the District's financial reporting, it is recommended that the Audit Committee consider recommending that the Board of Trustees again provide supplemental funding in the FY2023/24 budget, in the amount of \$50,000.