From: Shaw, Alisha (SAO)
To: "Steve Austin"
Subject: RE: Proposal for Temporary Accountability Audit Cycle Change
Date: Friday, July 15, 2022 8:46:00 AM
Attachments: image001.png

Hello,
Thank you for your understanding and flexibility with the change in audit cycle.
Have a great weekend.

Alisha Shaw
Team Pullman Audit Manager, Single Audit Program Manager
(509) 919-2851 | www.sao.wa.gov
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sao.wa.gov/rooted

From: Steve Austin <saustin@clarkston-wa.com>
Sent: Thursday, July 14, 2022 4:33 PM
To: Shaw, Alisha (SAO) <shawa@sao.wa.gov>
Subject: RE: Proposal for Temporary Accountability Audit Cycle Change

External Email

Alisha,
I spoke with the mayor and my staff. We are fine with the adjustment and will budget for next year accordingly. Thanks for providing the update and the alternative.
We have no objections to the provisions of this proposal.
Thanks,
Steve Austin
Clerk/Treasurer
City of Clarkston
829 5th Street
Clarkston, WA 99403
(509) 769 0131
Fax (509) 769 6018
www.clarkston-wa.com

From: Shaw, Alisha (SAO) <shawa@sao.wa.gov>
Sent: Thursday, July 14, 2022 2:36 PM
To: Steve Austin <saustin@clarkston-wa.com>
Subject: Proposal for Temporary Accountability Audit Cycle Change
Hi Stephen,
Statewide this year, there has been a huge increase in the amount of federal grant compliance audit (single audit) work our Office is required to perform. We have many clients that typically do not meet the requirements for a single audit that now require a single audit, and quite a few clients that have had an increase in the number of single audit programs we are required to audit this year. We are dedicated to helping our clients meet this important single audit deadline. One of the ways we hope to do this, is by cycling accountability and financial statement audits for clients that may require an annual audit per SAO Audit Policy, but we have determined are lower risk based on our

overall assessment of risk for those clients, including an evaluation of past audit results. We want to let you know that your accountability and financial statement audit has been selected for cycling, which means we would not perform a one-year audit this year and instead perform a two-year audit next year. There are some efficiencies gained when we perform multiple year audits so we would not double the current budget for this cycling change.

Based on our audit policy and the City's operating revenues, the City qualifies for an annual audit; however, we are proposing this one-time, temporary change in audit cycle. Your budget for this year's audit was 160 hours, plus travel expenses. I would propose a budget of 180 hours if we cycled your audit and performed a two-year audit next year. After the audit next year, we would then resume the City's one-year audit cycle.

Please let me know as soon as possible if the City has any objections to us performing a two-year accountability and financial statement audit next year.

Also, please let me know if you would like to discuss this further. I am happy to set up a meeting for us to discuss.

Thank you,

Alisha Shaw
Team Pullman Audit Manager, Single Audit Program Manager
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