Northern California Power Agency and Associated Power Corporations

Finance Committee Meeting - 2019 Financial Statement Audit
NCPA
Audit Discussion

Agenda

- Audit overview
- Required communication to Governing Body
- Discussion
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Deriving value from the audit

We view the audit as an opportunity to provide an opinion on the reliability of financial reporting to the Committee, Customer-Owners and Outside Parties and to provide value to NCPA.
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Audit overview

Audit assesses internal controls

“...a means by which an organization’s resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization’s resources”

Controls must meet the goal and objectives of Operations, Reporting and Compliance
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What were the audit results?

Audit performed in accordance with Generally Accepted Auditing Standards

Audit objective – reasonable assurance that financial statements are free from material misstatement

Financial statements of NCPA received an Unmodified Opinion

There were no material weaknesses or significant deficiencies in controls
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Testing methods

- Evaluating and assessing risk
- Interviewing employees and documenting business processes
- Testing business processes for weaknesses and adherence to policies
- Statistical sampling
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Testing methods

- Independent confirmations
- Use of specialist reports
- Tracing to source documents
NCPA Audit overview

Controls reviewed in key transaction areas

- Expenditures
- Payroll
- Billing and accounts receivable
- Cash, investments and derivatives
- Capital assets
- Information technology
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Auditor communication to those charged with governance

Auditor responsibility & independence
Board responsibility
Accounting policies and estimates

Baker Tilly agrees with NCPA’s accounting policies and disclosures
There were no material adjustments to the financial statements

No other audit findings or concerns
We appreciate the help of the NCPA’s Accounting and Management teams in assisting in the audit!
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Discussion
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