



Northern California Power Agency

2015 Audit Planning

Discussion with the Board and
Management
Presented on August 12, 2015

MOSS ADAMS LLP
Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.



AGENDA

- Key Service Team Members
- Independence and Service Considerations
- Risks Discussion
- Consideration of Fraud
- Audit Timeline
- Audit Deliverables
- Expectations
- New accounting standards



SERVICE TEAM

Name	Role	Contact
Julie Desimone	Engagement Reviewer Partner	Julie.Desimone@mossadams.com 503-478-2101
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INDEPENDENCE AND MATERIALITY

Relationships between Moss Adams and NCPA

- Annual financial statement audit for the year ending June 30, 2015
- Concept of materiality discussion



RISKS DISCUSSION

What are your views regarding:

- Agency's objectives, strategies and business risks that may result in material misstatements
- Attitudes, awareness, and actions concerning
 - Agency's internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit

Do you have any areas of concern?



Consideration of Fraud in a Financial Statement Audit

AU 316, *Consideration of Fraud in a Financial Statement Audit* was issued to heighten the awareness of auditors to the potential for fraud when planning and executing audits. AU 316 also emphasizes the need for increased professional skepticism throughout the audit engagement. The following provides a summary of fraud related procedures that are integrated in our risk based audit:

Procedures to Address the Risk of Fraud

— Engagement Team Discussion

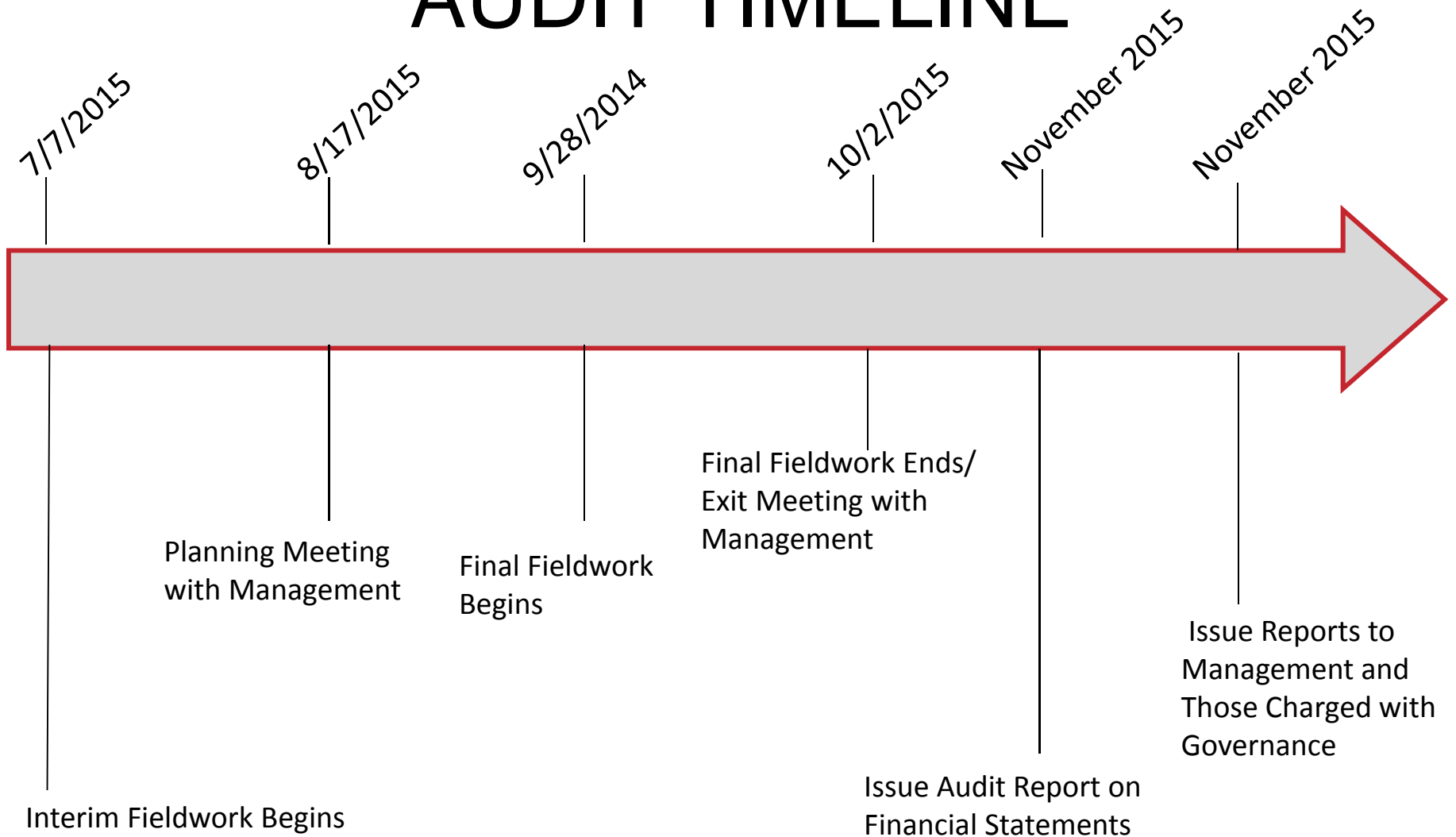
- Engagement team discussion among the audit team members to share thoughts and ideas about how and where we believe the Company's financial statements might be susceptible to material misstatement due to fraud.

— Identify the Risks of Material Misstatement Due to Fraud

- Inquire of management and others within the organization about the risks of fraud;
- Inquire about matters raised from/to the Board of Directors (including "whistleblowers") regarding accounting, internal accounting controls or auditing matters;
- Consider unusual or unexpected relationships that have been identified in performing analytical procedures in planning the integrated audit;
- Consider whether fraud risk factors exist; and
- Consider other information gathered throughout the audit.

— Perform procedures to address identified risks

AUDIT TIMELINE





AUDIT DELIVERABLES

- Audit Report on financial statements for the year ended June 30, 2015
- Report to Those Charged With Governance (Communicating required matters and other matters of interest)
- Report to Management (Communicating Internal Control Related Matters Identified in an Audit), *if necessary*
- Debt and investment compliance report



EXPECTATIONS

NCPA will:

- Close books and records before beginning of field work.
- Provide auditor requested information in CAP schedule prior to the beginning of fieldwork.

Moss Adams will:

- Communicate any proposed adjustments with management when identified
- Communicate any control deficiencies with management when identified.



NEW ACCOUNTING STANDARDS FOR CURRENT YEAR

- GASB 68 – Establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. Including, the termination of pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members.

QUESTIONS/COMMENTS?



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