



# **Howard County and Police and Fire Employees' Retirement Plans Audit Results Year Ended June 30, 2021**

Presentation of the Audited Financial Statements

Cheri Amoss, Director | December 2, 2021

**WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING**

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# CLA Audit Team

- Cheri Amoss, CPA, Director
- Kara Rueckemann, CPA, Manager
- Krysta Redmann, Senior Associate
- Staff level associates from our government services team



# Audit Approach

- Risk-based approach
  - Concentrate efforts on areas of higher risk
    - Investments
    - Contributions
    - Benefit payments
    - Participant data
- Internal control testing
- Substantive testing
- Review of financial statements



# Audit Results and Deliverables

- Audit opinion
  - Unmodified audit opinion for the Howard County and Police and Fire Employees' Retirement Plans
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Audit Standards*
  - No material weaknesses or significant deficiencies for either the Howard County and Police and Fire Employees' Retirement Plans



# Required Communications

- The American Institute of Certified Public Accountants' Statements on Auditing Standards require the independent public accountants to communicate certain matters to those who have responsibility for oversight of the financial reporting process. We have summarized the results of our audit of the Plans for the year ended June 30, 2021 by addressing each of these required communications.
  - Formal written communication was issued for the Howard County and Police and Fire Employees' Retirement Plans.



# Required Communications (*continued*)

- Auditors' Responsibility Under Generally Accepted Auditing Standards
  - The financial statements are the responsibility of management. Our audit was performed for the purpose of forming an opinion as to whether the financial statements have been prepared in accordance with GAAP.
- Significant Issues Discussed With Management Prior to Retention
  - There were no significant issues discussed with management prior to retention as the auditors.
- Consultations With Other Accountants
  - We were informed by management that they made no consultations on the application of GAAP and GAAS.



# Required Communications (*continued*)

- Qualitative Aspects of Accounting Practices
  - Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies are disclosed in the Summary of Significant Accounting Policies in Note 1 of the financial statements. There were no new accounting standards implemented in the current year.
  - The preparation of the financial statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
    - Valuation of investments, including alternative investments
    - Net pension liability/asset
      - We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements.
  - There were no particularly sensitive financial statement disclosures.



# Required Communications (*continued*)

- Difficulties Encountered in Performing the Audit
  - There were no significant difficulties encountered during the audit.
- Corrected Misstatements
  - Management did not identify, and we did not notify them of any financial statement misstatements detected as a result of audit procedures.
- Uncorrected Misstatements
  - We did not pass on any audit adjustments.
- Representations from Management
  - The representation letter was signed by management





# Required Communications (*continued*)

- Disagreements with Management
  - There were no disagreements with management on financial accounting and reporting matters, auditing procedures, or other matters.
- Other Significant Findings or Issues
  - We did not issue a separate management letter for either the Howard County and Police and Fire Retirement Plans.



# Future GASB Pronouncements

- No anticipated changes affecting public pension plan accounting or reporting is expected in the next year or two.



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