



**APRIL 11, 2019**

**AGENDA ITEM # 7**

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) UPDATE AND PROPOSED MEASURE A PERFORMANCE AUDIT OBJECTIVES**

Action Requested: Provide Input

Presenter: Joan Borucki, ITOC Chair

---

**Update**

**Background and Discussion – Performance Audit**

Measure A requires completion of annual financial/compliance audits. In addition, Measure A states that *“the ITOC shall, based on performance standards for expending sales tax funds adopted by the Authority Board, conduct a performance audit to report on progress in meeting such standards and make recommendations for improving overall program performance.”* Measure A also states that the *“performance audit shall be performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States.”*

The first such performance audit is expected to begin in June or July 2019 and be completed in time for the October 2019 Board meeting. However, several steps are necessary to prepare for the audit:

1. ITOC developed proposed performance audit objectives (see attachment) over the last several months. The ITOC would like the Board’s input on the proposed objectives. The proposed objectives will be refined into final objectives accordingly.
2. Based on the final objectives, ITOC will update the existing Board-approved performance standards and bring them for your Board’s consideration during its May Board meeting.
3. After consulting with STA’s legal counsel, the ITOC is proposing to engage Crowe, LLP to complete the performance audit for the sum of \$70,000. A contract with the finalized performance audit objectives will be brought to your Board for approval at its May meeting.

The finished product will be a written report with an “Independent Auditors Report” stating it’s opinion on the Measure A program’s performance based on testing the objectives agreed upon.

*Attachment*