



Sacramento Municipal Utility District Finance & Audit Committee Meeting - 2021 Financial Statement Audit

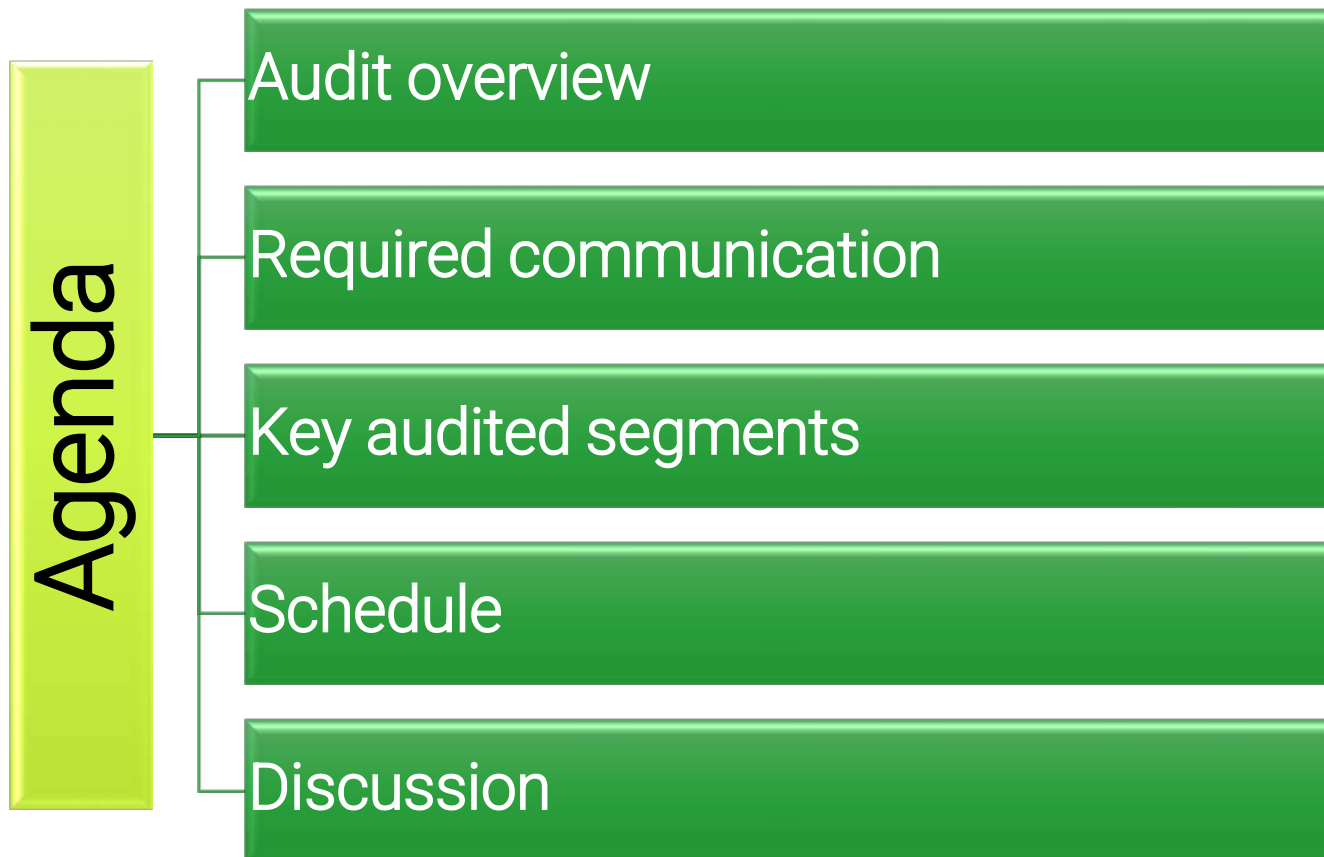
December 7, 2021



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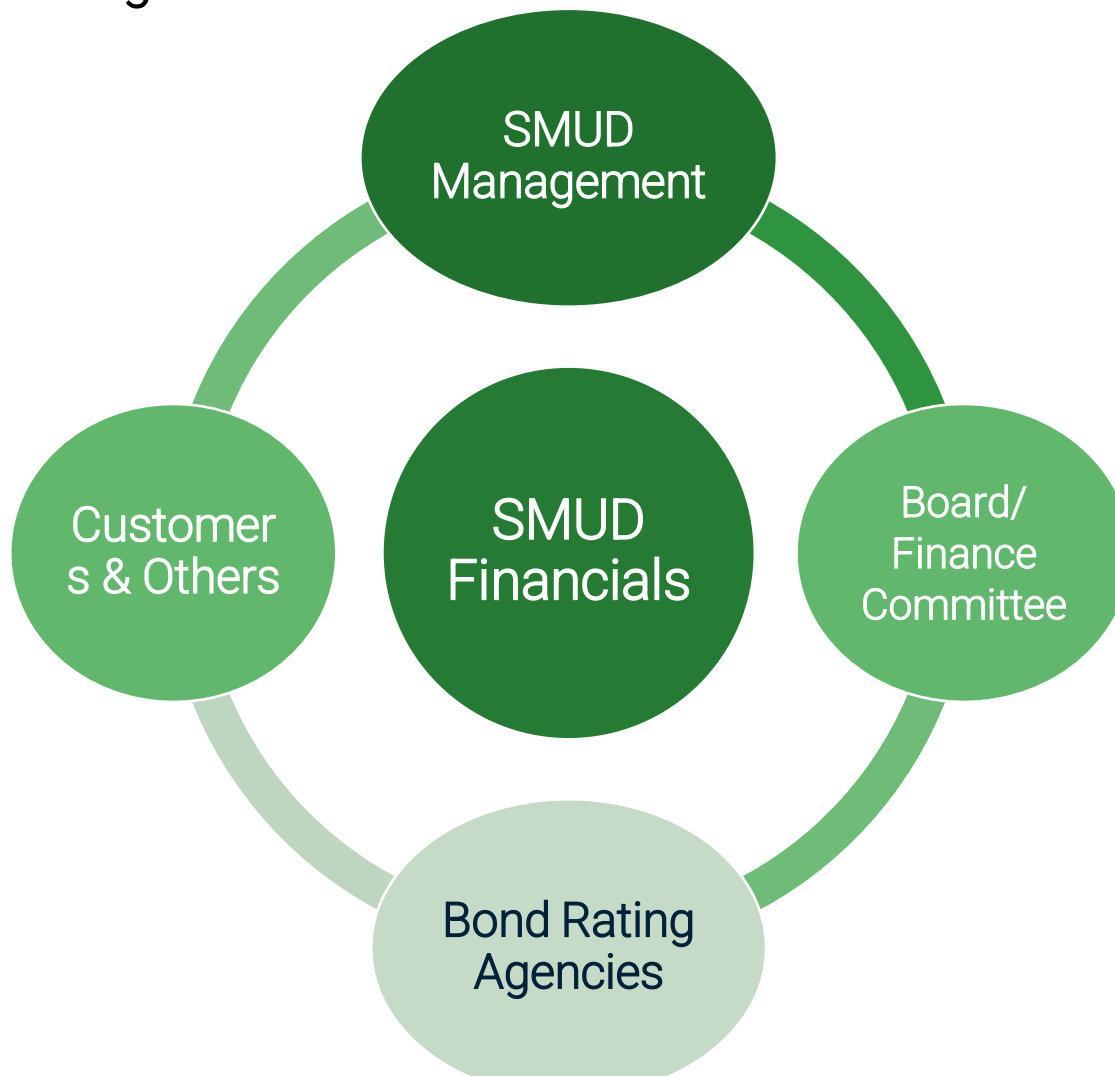


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Pre-Audit Discussion



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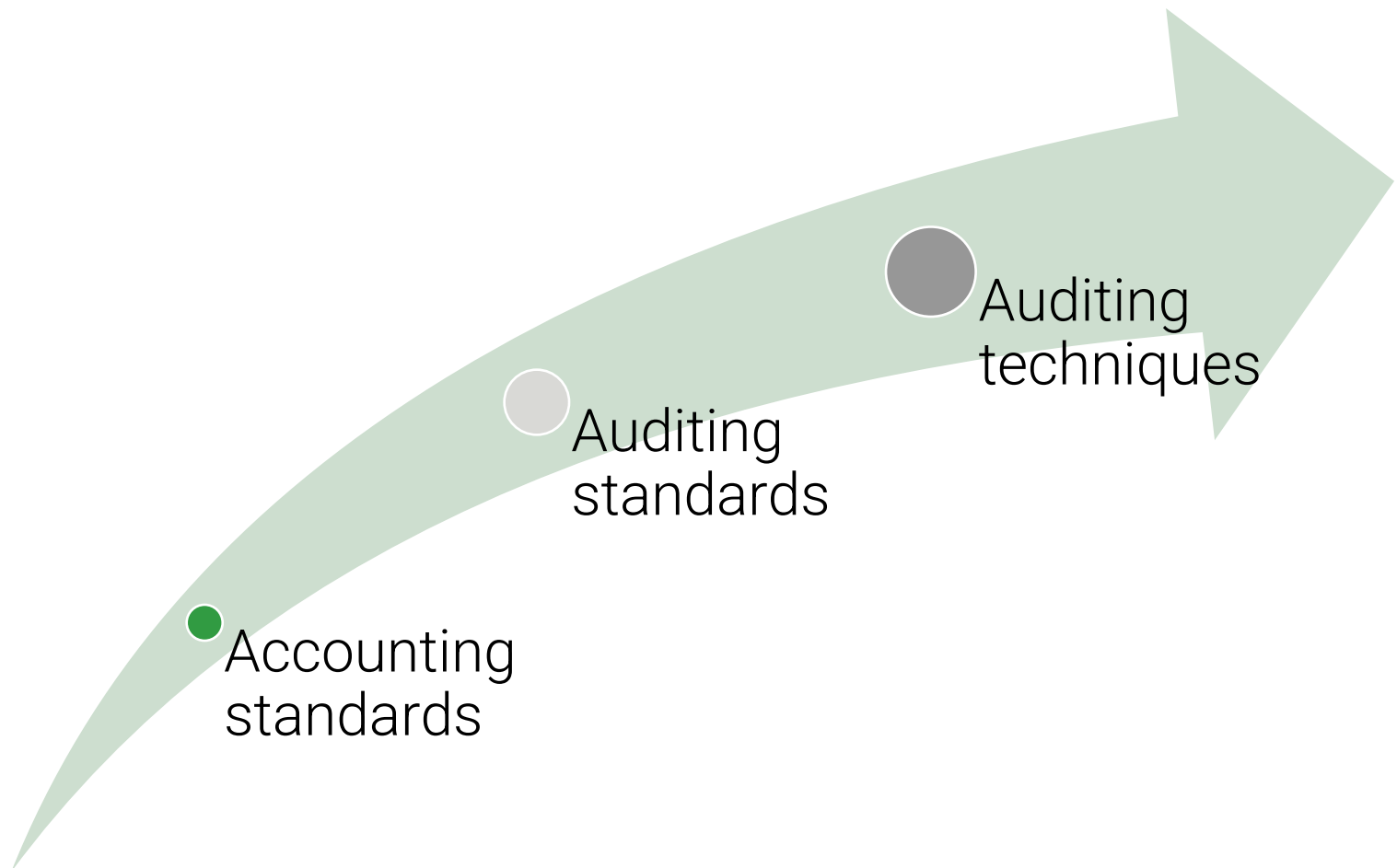
Who's reading our financial statements?





SMUD

What's new in the accounting and auditing world?



SMUD Required Auditor Communication



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Audit Work Plan Main Areas of Audit Focus

Area of Focus	Area of Focus
Control environment	Internal controls
Information technology	Cash and investments
Regulatory assets and liabilities	Derivative contracts
Fixed assets	Revenues and receivables
Expenditures and payables	Financing and debt
Cost of production	Compliance with laws and regulations
Payroll	Contracts and contingencies
Financial reporting	Board and Finance & Audit Committee presentations

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Finance & Audit Committee and Board involvement in the audit

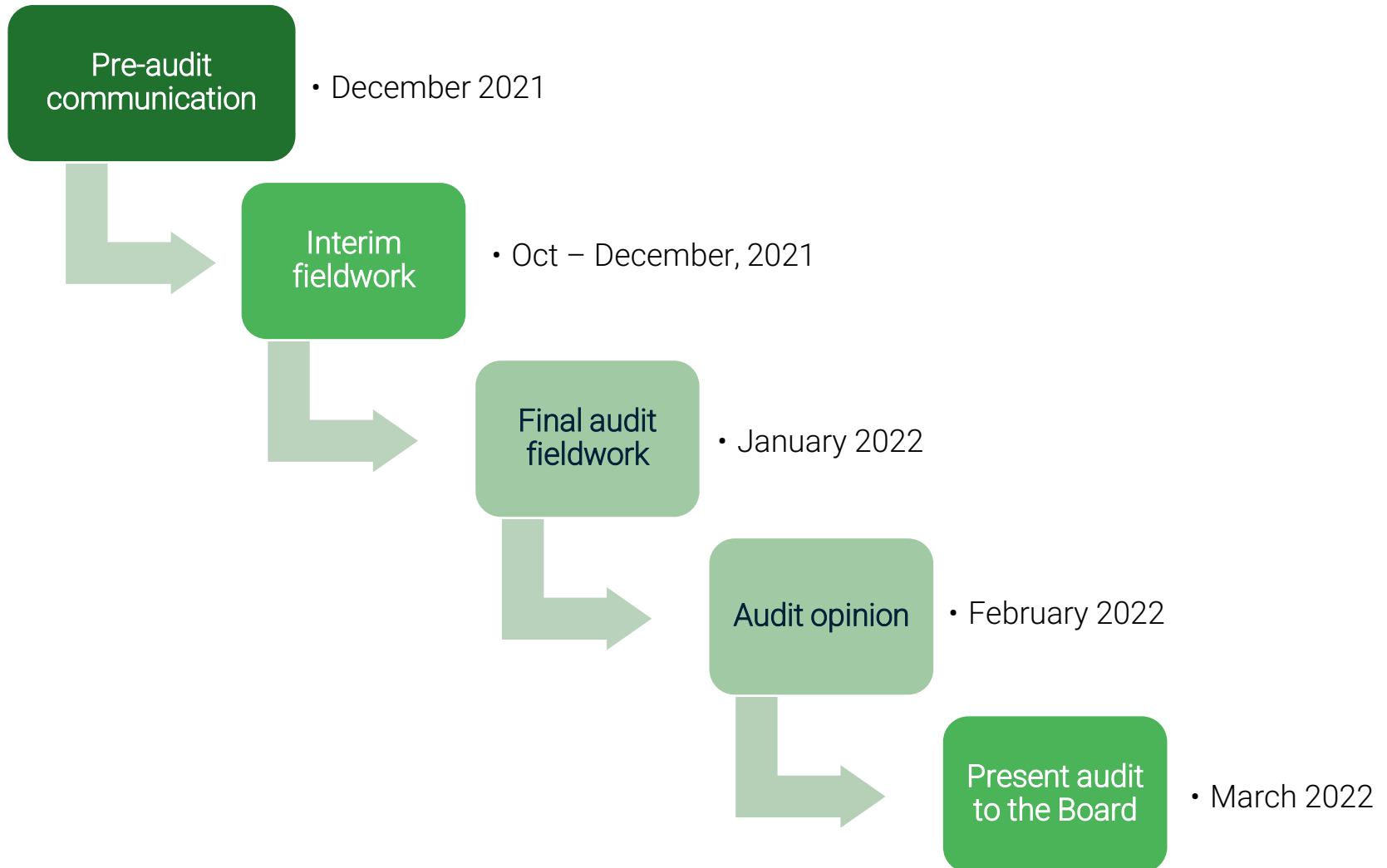


Institute of Internal Auditors' Three Lines of Defense in Effective Risk Management and Control

We encourage Board and Finance & Audit Committee input into the audit process – areas for further review and focus on controls, areas of concern, areas for further financial reporting and analysis, and areas of compliance with laws and regulations.

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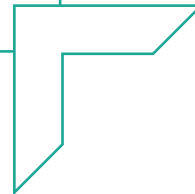
Audit Schedule – 2021 Audit



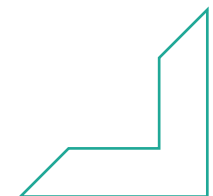
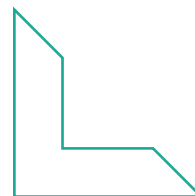


We appreciate the help of the SMUD Accounting and Audit and Quality Services team in assisting in the audit!





Discussion





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