



# Audit Planning Meeting

San Francisco Bay Area Rapid  
Transit District

April 2026



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# Introductions – Crowe



# Introductions – Key Engagement Team Members



## Crowe Team

- Hollis Hanson-Pollock – Partner
- Alisha Patel – Manager
- Sam Rust – In-Charge

## Subcontractors

- Sam Qiu – Managing Director, Qiu Accountancy
- Ingrid Sheipline – Managing Partner, Richardson & Company



# Audit Deliverables

## Financial Statement Audits

- Independent Auditor's Report (BART Financial Statements, Retiree Health Benefit Trust, Retiree Survivor Benefits Trust, Capitol Corridor Joint Powers Authority)
- Management Letter (Communication of internal control deficiencies under SAS 115)
- SAS 114 Letter (Required communications with Those Charged With Governance)

## Federal Compliance Audit

- Independent Auditor's 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 Auditing Standards
- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance
- "In relation to" opinion on the Schedule of Expenditures of Federal Awards
- Crowe's electronic certification of the Data Collection Form through Federal Audit Clearinghouse



# Audit Deliverables (Continued)

## Agreed-Upon Procedures Reports

- National Transit Database Federal Funding Allocation Statistics Form
- Travel and Business-Related Expenditures of the District's Board of Directors

## State/Local Compliance Audits

- Independent Auditor's Report on Compliance for Measure BB Funds; Report on Internal Control over Compliance
- Independent Auditor's Report on Compliance with the State of California Transportation Development Act (TDA); Report on Internal Control over Compliance
- Independent Auditor's Report on Compliance with the State of California Transportation Development Act (TDA); Report on Internal Control over Compliance – Capitol Corridor Joint Powers Authority

# Audit Approach



- Implementation of new standards
  - GASB 103, Financial Reporting Model Improvements
  - GASB 104, Disclosure of Certain Capital Assets
- Internal controls
- Federal grant funding
- Traditional risk areas (cash, capital assets, debt, pension, revenue, etc.)

# Timeline

Date	Event
May 25	Interim and Single Audit fieldwork to begin
September 25	Final trial balance and audit requests provided to Crowe
September 28	Year-end and wrap up of Single Audit fieldwork to begin
October 16	BART to provide full FS draft
October 19	BART to provide final NTD report
October 30	Crowe to provide draft reports to management
October 30	Crowe to deliver final NTD AUP report
November 5	Crowe to present draft reports to the Audit Committee
December 3	Final reports to the Board



# Audit Committee Planning Inquiries

In an effort to assist the Audit Committee in its oversight role, the following fraud risks have been identified for discussion:

1. Misappropriation of assets
2. Undisclosed related party relationships
3. Unauthorized or improperly applied employee compensation and benefits
4. Loss of funds due to improper/unauthorized access to financial assets (i.e. hacking or phishing)
5. Loss of personal or sensitive information due to data breach
6. Misapplication or misuse of restricted funds

# Audit Committee Planning Inquiries

- Fraud inquiries required by SAS 99
  - Management understands that it is their responsibility to prevent and detect fraud.
  - Management's views on the risks of material misstatement due to fraud, including the following:
    - Does management have knowledge of any fraud or suspected fraud affecting the entity?
    - Is management aware of any allegations of fraud or suspected fraud affecting the entity?
    - What is management's understanding about the risk of fraud in the entity, including any specific fraud risks the entity has identified or account balances or classes of transactions for which a risk of fraud may be likely to exist?
    - What programs or controls are established to reduce specific fraud risks that have been identified and how are these monitored?
    - How does management communicate to employees its view on business practices and ethical behavior?
    - Has management reported to the Committee (or others with the equivalent authority and responsibility) how the entity's internal control serve to prevent, deter, or detect material misstatement due to fraud?
- Committee feedback and planning input
- Desired method for communicating management recommendations
- Communication and status updates

# Emerging Issues

- Implementations on the horizon
  - FY2027
    - GASB 105 – Subsequent Events
- Future Funding Related Issues





# Thank You

Hollis Hanson-Pollock

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