



Smart decisions. Lasting value.™

# College of Lake County

Board of Trustees  
August 26, 2025

Crowe LLP

Year Ending June 30, 2025



# Agenda

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- Crowe Representatives and Client Service Team
- Roles and Responsibilities
- Engagement Objectives
- Scope and Deliverables
- Approach
- Timeline
- Significant Risks
- Materiality
- Related Parties
- Other Required Communications

# Crowe Representatives

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Christine Torres  
*Engagement Partner*



Haley Daggett  
*Engagement Manager*

# Crowe Client Service Team

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Role	Name	Definition of Role
Engagement Partner	Christine Torres	Christine is the partner in charge of the audit for College of Lake County.
Audit Manager	Haley Daggett	Haley will work as the manager reviewing the workpapers as well as coordinating the seniors and staff.
Audit Senior Staff	Cyrus Lau	Cyrus will serve as senior on the audit working on the more complex areas and supervising the staff. He is also coordinating work with the subcontractors.



# Roles and Responsibilities

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## Those Charged with Governance

- Oversight of external auditor, including scope, approach and planned timeline
- Oversight of the reporting and integrity of published financial information

## Management

- Preparation and fair presentation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP)
- Design, implementation and maintenance of internal control structure related to the preparation and fair presentation of the financial statements

## Crowe

- Performance of audits under *Generally Accepted Auditing Standards* and *Government Auditing Standards*

# Engagement Objectives

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- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with accounting principles generally accepted in the United States.
- The audit of financial statements will be performed in accordance with auditing standards generally accepted in the United States (GAAS) and generally accepted *Government Auditing Standards* (GAGAS).
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.
- Our audit includes consideration of internal controls over financial reporting, but we do not express an opinion on the effectiveness of such internal controls. Management is responsible for the design and the effectiveness of internal controls.

# Scope and Deliverables

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- Independent Auditor's Report on the Financial Statements
- 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 for the College
- Management Comment Letter, if applicable

# Approach



- At all times acting with
  - **PROFESSIONAL SKEPTICISM**
  - **INDEPENDENCE**
  - **OBJECTIVITY**



- Auditing in phases with a continuous risk assessment and commitment to audit quality



- Performing inquiries with management and other staff
- Corroborating and testing internal controls over financially significant IT systems and key accounts



- Performing substantive testing over significant risks and key audit areas
  - Tuition revenue
  - Grant revenue
  - Capital assets
  - Pension and OPEB liabilities
  - Potential management override of controls

**Accumulation and Evaluation of Results**



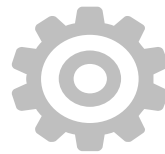
# Timeline

## July

- Planning and initial risk assessment
- Entrance conference with management
- Provide request list

## August - September

- Substantive audit procedures
- Compliance procedures over federal grants
- Review draft financial statements



## July - August

- Internal controls walkthroughs
- Testing of key accounts
- Testing of federal grant compliance

## October - December

- Finalize audit reports and recommendations
- Presentation to Board

Continuously Evaluating Impact of Testing on Risk Assessment, Execution and Timing of the Audit

# Significant Risks

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- Definition: An identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration.
- Significant Risks:
  - Auditing standards require a presumed risk of management override of internal controls. Management is primarily responsible for the design, implementation and maintenance of internal controls.
  - System conversion from PeopleSoft to Workday on 12/23/24 for Payroll and 1/1/25 for Financial Data. Management is responsible for an accurate conversion process related to the data.





# Materiality

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- In planning the audit, overall materiality is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. Overall materiality is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit.
- Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations.
- At the end of the audit, we will inform the Board of all individual unrecorded misstatements aggregated by us in connection with our audit.





# Related Parties

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- Related party relationships and transactions can result from interactions with other governments, not for-profit entities, for-profit entities, and individuals.
- Examples: Affiliates, board members or immediate family members, Management or immediate family members, entities where the College has significant influence, other businesses owned by management or board members
- As part of the audit, we perform inquiry regarding any concerns over related party transactions. We also inquire regarding any related parties identified and any significant transactions.



# Other Required Communications

As you consider your knowledge regarding College of Lake County, reach out to us at anytime if you have any insights that would assist us in understanding College of Lake County and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. Please communicate to us any of the following matters that you consider relevant to the audit:

Weaknesses in  
internal control  
activities

Inappropriate tone  
regarding fraudulent  
activity

Known, alleged, or  
suspected fraud

Oversight activities  
that do not mitigate  
risks of fraud

Tips or complaints  
regarding financial  
reporting

Actual or possible  
violations of laws or  
regulations that  
might affect the  
audit

Matters warranting  
particular attention  
during the audit

Significant or  
unusual transactions



# Other Required Communications - Fraud

- Fraud involves obtaining something of value through willful misrepresentation. Whether an act is, in fact, fraud is determined through the judicial or other adjudicative system and is beyond auditors' professional responsibility.
- Crowe will promptly communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts that come to our attention, and disagreements with management and other serious difficulties encountered in performing the audit.



# Contact Information



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