



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# Committee Item INFORMATION

## ***Audit Committee***

6/8/2026 Committee Meeting

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7a

### **Subject**

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Discussion on Independent Auditor Macias Gini & O'Connell, LLP's Fiscal Year 2025/26 Audit Plan

### **Executive Summary**

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This item will share information from the external auditor, hired to perform an independent audit of Metropolitan's financial statements and the Single Audit for Fiscal Year 2025/26.

### **Details & Background**

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An independent annual financial audit is required to be performed on Metropolitan's financial statements following each fiscal year-end. In addition, a Single Audit must be conducted when the District expends \$1 million or more in aggregate federal financial assistance during a fiscal year.

Before beginning the audits, the external audit firm presents its audit plan to the governing body or committee with oversight responsibilities, in this case, the Audit Committee. Communicating the audit plan helps establish a shared understanding of the audit's purpose and scope, expected deliverables, the respective responsibilities of the external auditor and management, the audit timeline, and the overall audit approach. This includes discussing significant risks and areas of focus, as well as any emerging issues or accounting standards that may affect the engagement.

The Office of the General Auditor serves as the contract administrator for the four-year independent external auditor contract with Macias, Gini & O'Connell, LLP, which concludes with the fiscal year 2025/26 audit cycle. This contract is for the performance of the annual independent audit of Metropolitan's financial statements and, in years when federal financial expenditures meet or exceed the applicable threshold, the Single Audit. Additionally, it includes performing audits of the statements of cash receipts and cash disbursements for the Six Agency Committee, the Colorado River Joint Powers Authority, and the Delta Conveyance Design and Construction Activity.

Metropolitan's Administrative Code Section 6450(e) requires the General Auditor to transmit all reports issued by the District's external auditors to the Audit Committee, including any comments on the external auditor's reports that the General Auditor deems necessary.