

## MEETING AGENDA

**Meeting:** Audit and Risk Committee  
**Date:** August 1, 2025  
**Time:** 8:30 am  
**Location:** Trust Authority Building, 3745 Community Park Loop, Anchorage  
**Teleconference:** [Zoom Link](#); Meeting ID: 842 6183 9319; Passcode: 907  
Call-in number +1 669 444 9171; [alaskamentalthtrust.org](http://alaskamentalthtrust.org)  
**Trustees:** Kevin Fimon (Chair), Corri Feige, Anita Halterman, Brent Fisher (ex-officio)

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### Friday, August 1, 2025

		<u>Page</u>
<b>8:30 am</b>	<b>Call Meeting to Order (Kevin Fimon, Chair)</b>	
	Roll Call	
	Announcements	
	Approve Agenda	
	Ethics Disclosure	
	Approve Minutes – January 9, 2025	5
<b>8:30 am</b>	<b>Binder Dijker Otte (BDO) Presentation on FY25 Audit Plan</b>	10
	• Bikky Shrestha, BDO	
<b>9:15am</b>	<b>Adjourn</b>	

## Future Meeting Dates

### Full Board of Trustees / Program & Planning / Resource Management / Audit & Risk / Finance

(Updated – July 2025)

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- |                                |                             |                          |
|--------------------------------|-----------------------------|--------------------------|
| • Program & Planning Committee | July 31, 2025               | (Thu)                    |
| • Audit & Risk Committee       | August 1, 2025              | (Fri)                    |
| • Finance Committee            | August 1, 2025              | (Fri)                    |
| • Resource Mgt Committee       | August 1, 2025              | (Fri)                    |
| • Full Board of Trustees       | August 27-28, 2025          | (Wed, Thu) – Anchorage   |
|                                |                             |                          |
| • Program & Planning Committee | October 15, 2025            | (Wed)                    |
| • Audit & Risk Committee       | October 16, 2025            | (Thu)                    |
| • Finance Committee            | October 16, 2025            | (Thu)                    |
| • Resource Mgt Committee       | October 16, 2025            | (Thu)                    |
| • Full Board of Trustees       | November 19-20, 2025        | (Wed, Thu) – Anchorage   |
|                                |                             |                          |
| • Program & Planning Committee | January 21, <b>2026</b>     | (Wed)                    |
| • Finance Committee            | January 22, <b>2026</b>     | (Thu)                    |
| • Resource Mgt Committee       | January 22, <b>2026</b>     | (Thu)                    |
| • Audit and Risk Committee     | January 22, <b>2026</b>     | (Thu)                    |
| • Full Board of Trustees       | February 18-19, <b>2026</b> | (Wed, Thu) – Juneau      |
|                                |                             |                          |
| • Program & Planning Committee | April 22, <b>2026</b>       | (Wed)                    |
| • Finance Committee            | April 23, <b>2026</b>       | (Thu)                    |
| • Resource Mgt Committee       | April 23, <b>2026</b>       | (Thu)                    |
| • Audit and Risk Committee     | April 23, <b>2026</b>       | (Thu)                    |
| • Full Board of Trustees       | May 20-21, <b>2026</b>      | (Wed, Thu)– location TBD |

## Future Meeting Dates

### Statutory Advisory Boards

(Updated – July 2025)

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#### **Alaska Commission on Aging**

ACOA: <https://aging.alaska.gov>

Executive Director: Martin Lange, (907) 465-4793, [martin.lange@alaska.gov](mailto:martin.lange@alaska.gov)

- September 25, 2025 - Virtual
- December 2-3, 2025 – Virtual
- February 24-26, 2026 - TBD

#### **Alaska Mental Health Board / Advisory Board on Alcoholism and Drug Abuse**

AMHB: <http://health.alaska.gov/amhb/Pages/default.aspx>

ABADA: <https://health.alaska.gov/abada/Pages/default.aspx>

Executive Director: Kermit Wilson, (907) 465-4650, [kermit.wilson@alaska.gov](mailto:kermit.wilson@alaska.gov)

- TBD

#### **Governor’s Council on Disabilities and Special Education**

GCDSE: <http://health.alaska.gov/gcdse/Pages/default.aspx>

Executive Director: Patrick Reinhart, (907)269-8990, [patrick.reinhart@alaska.gov](mailto:patrick.reinhart@alaska.gov)

- Triennial Meeting, Oct 6-7 Hybrid/Anchorage
- Disability and Aging Summit Oct 14-15, Anchorage
- Triennial Meeting, Feb 10-12, Hybrid/Juneau

## Trustee Committee Assignments

### Updated June 2025

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#### Executive Committee

- Brent Fisher, Chair
- Agnes Moran, Vice Chair
- Anita Halterman, Secretary
- Mary Wilson, staff

#### Audit & Risk Committee

- Kevin Fimon, Chair
- Corri Feige
- Anita Halterman
- Brent Fisher, *non-voting*
- Julee Farley, staff

#### Finance Committee

- John Morris, Chair
- Kevin Fimon
- Anita Halterman
- Brent Fisher, *non-voting*
- Julee Farley, staff

#### Program & Planning Committee

- Agnes Moran, Chair
- Kevin Fimon
- Corri Feige
- Brent Fisher, *non-voting*
- Katie Baldwin, staff

#### Resource Management Committee

- Corri Feige, Chair
- Anita Halterman
- Josie Hickel
- Brent Fisher, *non-voting*
- Jusdi Warner, staff

**ALASKA MENTAL HEALTH TRUST AUTHORITY  
AUDIT & RISK COMMITTEE MEETING  
January 9, 2025  
10:00 a.m.**

**Originating at:  
Alaska Mental Health Trust Authority  
3745 Community Park Loop, Suite 210  
Anchorage, Alaska 99508**

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**Trustees Present:**

Kevin Fimon, Chair  
Anita Halterman  
Corri Feige

**Other Trustees Present:**

Agnes Moran  
John Morris  
Rhonda Boyles (virtual)  
Brent Fisher

**Trust Staff Present:**

Valette Keller  
Allison Biastock  
Shannon Cochran  
Katie Baldwin-Johnson  
Julee Farley  
Carrie Predeger  
Lucas Lind  
Josie Stern  
Eliza Muse  
Michael Baldwin

**Trust Land Office staff present:**

Jusdi Warner  
Jeff Green  
Sarah Morrison  
Tracy Salinas  
Katie Vachris  
Brittany Williams

**Department of Law:**

Gene Hickey

**Also participating:**

Steph Hopkins; Christopher Orman; Mary Wlson; Teri Tibbet.

## PROCEEDINGS

### CALL TO ORDER

CHAIR FIMON called the meeting to order and began with a roll call. He asked for any announcements. There being none, he moved to the approval of the agenda.

CHAIR FIMON entertained a motion for the approval of the agenda.

### APPROVAL OF AGENDA

**MOTION:** A motion to approve the agenda was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Feige, yes; Chair Fimon, yes.)*

### ETHICS DISCLOSURE

CHAIR FIMON asked for any ethics disclosures. Hearing and seeing none, he moved to the approval of the minutes of October 16, 2024.

### APPROVAL OF MINUTES

**MOTION:** A motion was made to approve the minutes of October 16, 2024. The motion was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Feige, yes; Chair Fimon, yes.)*

CHAIR FIMON introduced Lucas Lind, the grants administrator, and Carrie Predeger, the grants accountability manager, to discuss the grant process.

### GRANT COMPLIANCE

MR. LIND began with an overview, and then moved to the grants agreements, which are created with all of the different requirements. He talked about the ways that grants come before the trustees, how the budget is negotiated, and the performance measures.

MS. PREDEGER stated that a framework was established at the Trust for developing the performance measures which allow reviewing the project's outcomes and accomplishments, and then the impacts on the beneficiaries and the community as a whole.

TRUSTEE MORAN asked if each project performance measures are individual for each grant.

COO BALDWIN-JOHNSON replied that the partnership grants that come forward fall in line with Trust priorities. She added that the individual project performance measures do reflect the results-based accountability structure. She continued that the goal in looking at how the overall impact of a focus area or a priority area is measured includes strategies that can show a clear picture of the impact of an area.

CEO BIASTOCK stated that the focus was more conversation around the grant process, with an

emphasis on the monitoring and compliance piece. She recognized that there was going to be dialogue around grant performance and impact, and thought it would be appropriate for the committee to look at the compliance and monitoring aspect of the grant making. She added that Mr. Lind and Ms. Predeger would walk through the many stages that take place from the moment the grant is approved to the closeout.

MS. PREDEGER stated that the majority of the Trust grants use the results-based accountability framework which works best for the direct-service outreach, education, and the capacity-building projects. It does not work for building projects, conferences, or things that occur which have an end result.

MR. HICKEY asked under a results-based accountability requirement, from the performance standard, there are minimum thresholds with which the grantee must comply. For example, if the board approves a grant and those measures are not quantified, he asked how that performance is measured.

MR. LIND explains that performance measures are included in every grant approval.

TRUSTEE FEIGE asked if there is a set breakdown for what would be accepted as a ceiling for what goes to administration and grant administration.

MR. LIND replied that 15 percent is the target. There is no set ceiling because different parts of the state have different needs. He noted that is spelled out in every grant memo to the trustees.

TRUSTEE HALTERMAN asked what the threshold for unreasonable would be.

MR. LIND replied that over 15 percent starts raising hackles, and there has been up to 100 percent before, which was listed as their federally negotiated indirect. That was a \$10,000 grant which was not approved.

MS. PREDEGER stated that along with the project's category, they also take into account the individual aspects of each grant and incorporate input from the Trust program staff and the grantee. She added that she has been enjoying the new process which gets the feedback on the performance measures written with communication from the program officers and the grantees. It has been more valuable, and the program performance measures are better because of that.

COO BALDWIN-JOHNSON added that at the approval of the FY26 and FY27 budgets, the trustees considered a change that was implemented to provide the budget narrative document that follows each line in the budget. Staff is striving to put in as much available relevant information.

TRUSTEE HALTERMAN thanked staff for being very responsive for the commentary that allowed making recommendations that were considered for the last budget process.

MR. LIND talked about the individual budgets for each of the grant agreements.

TRUSTEE MORAN asked Mr. Hickey about the grant agreements.

MR. HICKEY replied that as long as it was in the grant agreement, it did not have to come back

to the board.

MR. LIND completed the budget detail and moved to the payment provisions. He explained that this differs according to grant type, and specific grants.

MS. PREDEGER moved to reporting requirements, and stated that all of the grants would have at least one final status report. The longer and more complex grants would usually have an additional interim report.

MR. LIND stated that every grantee is required to submit their report which has general components: an executive summary, responses to the performance measures as outlined, number of beneficiaries served, and how the money was spent.

MS. PREDEGER stated that all of the grants are evaluated individually for compliance with the grant agreement, which includes the responses to the performance measures. Those are scored for compliance only based on the timeliness of the report, the completeness of the executive summary, the responses to all of the performance measures, as well as compliance with the financial requirements. Those reports go into the budget narrative. She then explained the compliance scoring.

MR. LIND stated that all of the grant records are on the State server.

TRUSTEE FEIGE commented on the detail and the closer examination of administering of the grants, and stated appreciation for the report.

CHAIR FIMON appreciated the help through the process, and thanked Mr. Lind and Ms. Predeger for the information and the presentation. He moved to the Audit Update, and asked for a motion.

## AUDIT UPDATE

**MOTION:** A motion was made that the Audit & Risk Committee for the Alaska Mental Health Trust Authority Board of Trustees enter Executive Session to obtain an update on the LB&A legislative audit of the Alaska Mental Health Trust Authority. This Executive Session is permitted under the Open Meetings Act, AS 44.62.310(c)(2), as the matters to be discussed concern matters which, by law, are required to be confidential. The motion was made by TRUSTEE FEIGE; seconded by TRUSTEE HALTERMAN.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Feige, yes; Trustee Halterman, yes; Chair Feige, yes.)*

(Executive Session from 11:01 a.m. until 11:32 a.m.)

TRUSTEE FIEGE stated that she, her fellow trustees, and members of the Trust Authority returned to the Audit & Risk Committee meeting from the Executive Session. During the Executive Session, the trustees only discussed the items identified in the motion to move into Executive Session. The Audit & Risk Committee did not take any action while in Executive Session.



CHAIR FIMON entertained a motion to adjourn.

**MOTION:** A motion to adjourn the Audit & Risk Committee meeting was made by TRUSTEE HALTERMAN; seconded by TRUSTEE FEIGE.

*After the roll-call vote, the MOTION was APPROVED. (Trustee Halterman, yes; Trustee Feige, yes; Chair Fimon, yes.)*

(The Alaska Mental Health Trust Authority Audit & Risk Committee meeting adjourned at 11:33 a.m.)



REPORT TO BOARD OF TRUSTEES

# ALASKA MENTAL HEALTH TRUST AUTHORITY

2025 AUDIT PLAN  
YEAR ENDED JUNE 30, 2025



# Welcome

BDO USA, P.C.  
3601 C St. #600,  
Anchorage, AK 99503  
Tel.: 907-278-8878  
www.bdo.com

July 7, 2025

Board of Trustees

Alaska Mental Health Trust Authority

We look forward to discussing with you the current year audit plan for Alaska Mental Health Trust Authority (the Trust). This report provides an overview of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

We are pleased to be of service to the Trust, are committed to executing a quality audit, and look forward to discussing our audit plan, as well as other matters that may be of interest to you.

Respectfully,

*BDO USA*

Copy to: Mary Wilson, CEO  
Julee Farley, CFO

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## Your Client Service Executive Team



**BIKKY SHRESTHA**  
Engagement Principal  
bshrestha@bdo.com



**MARCUS BROWN**  
Manager  
Marcus.brown@bdo.com

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Trustees) and, if appropriate, management of the Trust, and is not intended and should not be used by anyone other than these specified parties.

# Executive Summary



# Executive Summary

## Audit timeline

- We will perform our year-end procedures during the months August, September and October.

## Audit strategy, including significant risks identified

- Our audit strategy, including significant risks identified, for the 2025 audit is outlined in the “Areas of Significant Risk” on pages 12-15.



# Audit Overview & Strategy





# Overview

Our audit strategy follows a risk-based approach, so that our audit work, including the nature, timing and extent of audit procedures planned, is focused on the areas of the financial statements where the risk of material misstatement is assessed to be significant as well as other areas of the financial statements where we have identified risks of material misstatement.

In preparation for our audit, we will discuss with Board of Trustees and management significant matters including, but not limited to, market conditions, activities, and changes to the Trust's business, systems, accounting principles and controls, and obtained management's view of potential audit risk in order to update our understanding of the Trust. This is important to our identification and assessment of risks of material misstatement to the financial statements and related disclosures.

Key components of our audit objectives and strategy are highlighted within this report.

We will continue to update the resulting assessment throughout the audit. We will communicate to you any significant changes to the planned audit strategy, or the significant risks initially identified and communicated herein, and the reason for such changes, as applicable, when we present the results of our audit upon completion.



# Terms of the Audit and Independence

## AUDITOR'S RESPONSIBILITY

BDO USA, P.C., as your auditor, is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework. In addition, our audit will be conducted in accordance with standards for financial audits contained in the *Government Auditing Standards* (GAS or Yellow Book), issued by the Comptroller General of the United States.

The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities.

## INDEPENDENCE

- ▶ Our engagement letter describes our responsibilities in accordance with professional standards and certain regulatory authorities and *Government Auditing Standards* regarding independence and the performance of our services. This letter also stipulates the responsibilities of the Trust with respect to independence as agreed to by the Trust. Please refer to that letter for further information.

## TERMS OF THE AUDIT

Our establishment and understanding of the terms of the audit engagement have been documented in our annual engagement letter, which will be provided to you in July 2025 and will include the objectives of the audit along with the responsibilities of both the auditor and of management for your reference.

- ▶ We will plan and perform the audit of the financial statements for the year ended June 30, 2025, in accordance with *Government Auditing Standards*.
- ▶ We will perform tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit.

# Determining Our Planned Audit Strategy

We focus on areas with higher risk of material misstatement to the financial statements, whether due to error or fraud.

In addition, *Government Auditing Standards* require that we also plan and perform the audit to obtain reasonable assurance about whether the Trust has complied with applicable laws, regulations and the terms and conditions of the federal awards that may have a direct and material effect on each of Trust's major federal programs.

Our audit strategy includes consideration of the following:

- ▶ Prior year audit results including discussions with management and those charged with governance regarding the Trust's operations and risks.
- ▶ Inherent risk within the Trust (i.e., the susceptibility of the financial statements to material error or fraud) without regard to the effect of controls.
- ▶ A continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting the Trust.
- ▶ Recent developments within the industry, regulatory environment, and general economic conditions.
- ▶ Recently issued and effective accounting and financial reporting guidance.
- ▶ The Trust's significant and critical accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions.
- ▶ The control environment, risk management and monitoring activities, and the possibility that internal controls may fail to prevent or detect a material misstatement due to error or fraud.
- ▶ The use of information systems and service organizations in the financial reporting process and overall IT environment.
- ▶ We will consider the Trust's internal control over financial reporting as a basis for designing audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the Trust's effectiveness of internal control.

We will communicate to you any significant changes to the planned audit strategy, or to the significant risks initially identified, that may occur during the audit due to the results of audit procedures or in response to external factors, such as changes in the economic environment.

# Areas of Significant Risk

Our areas of significant risk, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations, are as follows. Our planned audit procedures for these risks are detailed starting on pages 12-15.

- Fraud Risk - Management Override of Controls
- Fraud Risk - Improper Revenue Recognition
- Valuation of Real Estate LLCs
- Net Position and Fund Balance

# Detail of Significant Risks & Additional Audit Considerations



# Fraud Risk - Management Override of Controls

## SUMMARY OF AREA OF SIGNIFICANT RISK

Management override of controls is presumed to be a significant fraud risk for all entities.

Management can circumvent internal controls through 1) posting of journal entries, 2) manipulation of significant estimates, especially those with significant unobservable inputs, and 3) engagement in significant and unusual transactions.

## SUMMARY OF PLANNED AUDIT PROCEDURES

BDO will perform review and substantive procedures over transactions in the general ledger that may be unauthorized or unusual. A review of managements judgments involving accounting estimates.

In order to address this significant risk, we plan to perform the following procedures:

- Perform a walkthrough of the FRCP business process and evaluate the design of controls in this area.
- Design a unique set of criteria that will be used to identify journal entries deemed to be of higher risk of management override for testing.

# Fraud Risk – Improper Revenue Recognition

## SUMMARY OF AREA OF SIGNIFICANT RISK

The Trust's main sources of revenue are its financial investments, which are managed by the Alaska Permanent Fund Corporation (APFC) and the State of Alaska's Department of Revenue, Investments Division (Treasury), as well as income generated from Trust Land activities such as land leasing and sales, commercial timber sales, mineral exploration and production, and coal, oil, and gas exploration. There is a risk that the entity may improperly recognize revenue in order to overstate land sales and property performance.

As the Alaska Mental Health Trust Authority's (AMHTA) core mission is to responsibly grow its corpus assets to support future mental health services in Alaska, the organization is subject to considerable public oversight to ensure asset management aligns with this purpose. Consequently, there is an inherent risk of fraud or error related to revenue, such as revenue being recognized incorrectly, in the wrong accounting period, or misclassified.

## SUMMARY OF PLANNED AUDIT PROCEDURES

In order to address this significant risk, we plan to perform the following procedures:

- Obtain land revenue detail from AMHTA, tie it to the trial balance, and select and test samples to test for existence and accuracy of land revenue, including land sales, investment property, rent and royal revenues.
- Obtain year-end real estate property statements and broker opinions. Reconcile these statements to the real estate schedule, ensuring all balances agree. Ensure the real estate schedule ties to the trial balance, and vouch cash receipts and owner distributions from the properties to supporting documentation.

# Valuation of Real Estate LLCs

## SUMMARY OF AREA OF SIGNIFICANT RISK

AMHTA holds multiple real estate investments through separate LLCs, which are reported in the financial statements at fair market value based on independent appraisals or broker opinions. There is a risk that AMHTA may not record necessary fair value adjustments in a timely or accurate manner, leading to potential misstatements of asset values in the financial statements. Such misstatements could compromise the reliability and integrity of the reported financial information.

## SUMMARY OF PLANNED AUDIT PROCEDURES

In order to address this significant risk, we plan to perform the following procedures:

- Obtain YE real estate property statements, appraisals and brokers opinions
- Develop our own estimate of fair market value for each property using the sources provided by the brokers and then compare our estimate to the appraisals to assess whether the appraised fair market values are reasonable.

# Net Position and Fund Balance

## SUMMARY OF AREA OF SIGNIFICANT RISK

There is a risk that the beginning fund balance reported in the current period may not reconcile with the prior year's ending fund balance, which could indicate errors or omissions in the rollforward process. Such discrepancies may arise from unrecorded adjustments, misclassifications, or incomplete transfer of balances between reporting periods.

Lastly, there is a potential risk of inaccuracies in financial reporting arising from the allocation of balances between spendable and nonspendable categories. These inaccuracies may lead to the misstatement of fund balance classifications, which could impact users' understanding of the trust's liquidity, resource availability, and overall financial position.

## SUMMARY OF PLANNED AUDIT PROCEDURES

In order to address this significant risk, we plan to perform the following procedures:

- Perform net position reconciliation and fund balance rollforward
- Verify accuracy of the allocation of balances between spendable and nonspendable categories by comparing information to board minutes and resolutions, perform inquiries and compare information to information audited by APFC



# Inquiries of Those Charged with Governance



# Obtaining Information from Those Charged with Governance

We perform inquiries related to fraud and other matters to help inform our audit strategy and execution of our audit procedures. As part of the upcoming meeting with you, we would like to discuss the following topics with you to understand any matters of which you believe we should be aware, including, but not limited to:

- ▶ Your views about the risk of material misstatements due to fraud, including the risk of management override of controls
- ▶ How you exercise oversight over the Trust's assessment of fraud risks and the establishment of controls to address these risks
- ▶ Your awareness of any actual, alleged or suspected fraud or illegal acts affecting the Trust
- ▶ Your awareness of tips or complaints regarding the Trust's financial reporting and your response to such tips and complaints
- ▶ Your awareness of other matters relevant to the audit including, but not limited to, violations or possible violations of laws or regulations
- ▶ Your awareness of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements.
- ▶ Your awareness of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- ▶ Your awareness of any significant communications between the Trust and regulators
- ▶ Your understanding of the Trust's relationships and transactions with related parties that are significant to the Trust
- ▶ Any business relationships between a BDO firm and the Trust or its affiliates
- ▶ Whether the Trust has entered into any significant unusual transactions
- ▶ Your awareness of any other information that is important to the identification and assessment of risks of material misstatement

# Other Topics



# BDO's System of Quality Management

An audit firm's effective system of quality management ("SoQM") is crucial for supporting the consistent performance of high-quality audits and reviews of financial statements, or other assurance or related services engagements under professional standards, and applicable legal and regulatory requirements.

Accordingly, BDO has implemented a SoQM designed to provide reasonable assurance that its professionals fulfill their responsibilities and conduct engagements in accordance with those standards and requirements. The firm's SoQM supports the consistent performance of quality audits through many ongoing activities including, at least annually, certification by leaders with responsibility for key controls and related processes. Our Assurance Quality Management team performs regular reviews and testing of key controls and processes throughout the SoQM and identifies and communicates areas for improvement. In addition, our Audit Quality Advisory Council supports our SoQM by providing guidance and input on audit quality initiatives.

As required by International Standard on Quality Management 1 (ISQM 1) under the International Auditing and Assurance Standards Board (IAASB), BDO has conducted an evaluation of the effectiveness of its system of quality management and concluded, as of July 31, 2024, that, except for certain deficiencies related to the execution of its issuer audits, that system provides the reasonable assurance that our professionals will perform audits and reviews of financial statements or related assurance services engagements in accordance with professional standards, and applicable legal and regulatory requirements. BDO has either implemented or is designing remedial actions to address those deficiencies prior to our next evaluation.



We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO's system of quality management within our annual [Audit Quality Reports](#), the most recent of which is accessible [here](#).

**[CLICK HERE TO ACCESS IAASB ISQM-1 IN ITS ENTIRETY >](#)**

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