

Process for Review and Posting of CAFRs

1. Prior to commencement of the audit for a fiscal year, the outside auditor, with financial management present to comment as necessary, will review the audit plan with the Audit Committee.
2. Approximately mid-way through the audit, the outside auditor and financial management should report to the Audit Committee the status of the audit and any significant issues or problems encountered. The Audit Committee shall alert the City Council of any significant issues or problems after hearing the report.
3. ~~It is understood that~~The outside auditor and financial management ~~also are expected and encouraged to~~shall bring to the attention of the Audit Committee in a timely manner, separate from the foregoing, any significant matters regarding the audit of which the Audit Committee should be aware as part of its oversight responsibility.
  - a. Mun. Code §26.1706(a)(3) provides that the Audit Committee “may appoint up to two members of the Committee, in an ad hoc capacity, to meet with City management and the outside auditor, together or separately, prior to the completion of the audit, to review and discuss the draft financial statements and the conduct of the audit.”
4. The near final draft of the CAFR shall be provided to the DPWG for its review and comments. Upon completion of such review, DPWG shall certify in writing to the Audit Committee and the City Council that the DPWG has reviewed the CAFR in accordance with Mun. Code §22.4108(a)(1) and that in the best judgment of the DPWG the CAFR is in substantially final form. The Audit Committee shall alert the City Council to any significant concerns after reviewing the written certification from DPWG.
  - a. Mun. Code §26.1706(a)(4) provides that the Audit Committee “may appoint a Committee member to attend meetings of the Disclosure Practices Working Group at which the audited financial statements of the City are considered.”
5. Upon completion of the audit and the related CAFR, including delivery of the outside auditor’s opinion, and following review by the DPWG, the CAFR, with related certifications, shall be provided to the Audit Committee and City Council for review at least two weeks prior to their taking action on the CAFR.
  - a. Mun. Code §26.1706(a)(5)(A) provides that the review by the Audit Committee shall be done “upon the issuance of the audit opinion”.

b. Thus, the Code contemplates review by the Audit Committee *after the executed audit letter is released*, and provides that upon such review the Audit Committee shall “provide to the [Mayor] and the City Council any comments or recommendations it may have.”

c. It is the further intent of the Code, however, that by permitting ad hoc meetings of Audit Committee members with City management and the outside auditor, and attendance by an Audit Committee member at the DPWG meetings at which the draft audited financial statements are considered, that any significant concerns of one or more members of the Audit Committee will have been addressed before the audit opinion is finalized.

6. If there are no unresolved significant concerns pursuant to steps 2 and 4 above, and conditioned upon receipt of the DPWG certification referenced in step 4, then upon receipt of the executed audit letter, at the same time that the CAFR is delivered to the Audit Committee for its review, it shall be posted on the City’s investor information webpage, with a cautionary note to the following effect:

“We have posted the City’s fiscal year [X] Comprehensive Annual Financial Report (‘CAFR’), which includes the City’s fiscal year [X] audited financial statements. Pursuant to disclosure controls and procedures adopted by the City, the CAFR is required to be approved by the City’s Audit Committee and received and filed by the City’s City Council. Those additional procedures of the Audit Committee and the City Council have not yet occurred, and were they to result in any material changes to the CAFR, such changes will be highlighted in a subsequent posting. In addition, at such time as the additional procedures of the Audit Committee and the City Council have been completed, the City will file the fiscal year [X] CAFR with EMMA (the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board).”

7. At a meeting of the Audit Committee at least two weeks after being provided the CAFR, the CAFR will be discussed, with the Audit Committee asking questions of financial management and the outside auditor along the lines of those attached as Exhibit A. If the Audit Committee is satisfied, it will approve a motion recommending to the City Council receipt and filing of the CAFR.

8. At a meeting of the City Council some time after the Audit Committee meeting, with financial management and the outside auditor available to answer questions, the City Council will be asked to approve a motion to receive and file the CAFR.

9. Upon receipt and filing of the CAFR by the City Council, the CAFR will be transmitted to EMMA in satisfaction of the City’s various continuing disclosure agreements.



<b>Summary Report:</b>	
<b>Litera Change-Pro ML 6.5.0.313 Document Comparison done on 7/29/2011 3:22:47 PM</b>	
<b>Style Name:</b> Default Style	
<b>Original Filename:</b>	
<b>Original DMS:</b> iw://EASTDMS/EAST1/1008919/1	
<b>Modified Filename:</b>	
<b>Modified DMS:</b> iw://EASTDMS/EAST1/1008919/2	
<b>Changes:</b>	
<u>Add</u>	6
<del>Delete</del>	4
<del>Move From</del>	0
<u>Move To</u>	0
<u>Table Insert</u>	0
<del>Table Delete</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
<b>Total Changes:</b>	<b>10</b>

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