CITY OF AUBURN WASHINGTON	**Special City Council Meeting** **August 6, 2014 - 2:00 PM** **Executive Conference Room** **MINUTES**

I. CALL TO ORDER

The meeting was called to order at 2:00 p.m. in the Executive Conference Room located in the Mayor's Office area on the second floor of Auburn City Hall, 25 West Main Street in Auburn. Councilmembers present were Bill Peloza and John Holman; there was not a quorum of the Council; however, the meeting with the representatives of the State Auditor's Office proceeded for informational purposes.

Also present were Mayor Nancy Backus, Finance Director Shelley Coleman, Accounting Manager Janice Davies, and City Clerk Danielle Daskam.

Members of the Auditor's Office present included: Audit Manager Renee Meyer, Audit Supervisor Janise Hansen, and Audit Lead Moriah Banasick.

Members of the public were also in attendance.

II. DISCUSSION ITEMS

A. Washington State Auditor's Office Annual Audit

The purpose of the special meeting was to review the annual audit conducted by the Washington State Auditor's Office. Audit Lead Banasick distributed the audit exit conference agenda and reviewed the results of the audit.

Audit Lead Banasick noted that preliminary audit results and recommendations were shared in detail with City management and personnel as they were developed during the audit.

The accountability audit report summarizes the results of the risk-based audit work related to safeguarding of public resources and legal compliance and covered the following areas: cash receipting, safeguarding of small and attractive assets, procurement, and contracts and agreements. The report did not include any findings.

The financial statement report includes the State Auditor's opinion on the financial statements and report on internal control over financial reporting and on noncompliance and other matters as required by Government Auditing Standards. There were no uncorrected misstatements in the audited financial statements; there were no material misstatements in the financial statements corrected by management during the audit; no significant deficiencies in internal control over financial reporting were identified; and no instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

The audit report on Federal grant compliance and internal controls over Federal grant programs included no findings. This year's audit included review of the Highway Planning and Construction Cluster, CFDA 20.205.

Exit recommendations were provided for management's consideration, and they are not referenced in the audit report.

Audit Lead Banasick reported that last year's audit recommendations were reviewed and all issues were resolved.

The audit report will be available on the State Auditor's website in approximately two weeks.

Ms. Banasick briefly reviewed the audit costs. The auditors also provided an estimated cost for next year's audit as a budgeting tool.

The auditors thanked Mayor Backus and Finance Director Coleman for their cooperation and assistance throughout the audit process.

III. ADJOURNMENT

The meeting with the auditors concluded at 2:40 p.m.

APPROVED this 2nd day of September, 2014.

Nancy Backus
NANCY BACKUS, MAYOR

Danielle Daskam
Danielle Daskam, City Clerk