



**Special City Council Meeting  
June 11, 2014 - 11:00 AM  
Executive Conference Room  
MINUTES**

**I. CALL TO ORDER**

Mayor Nancy Backus called the meeting to order at 11:02 a.m. in the Executive Council Room located at Auburn City Hall, 25 West Main Street in Auburn. The purpose of the special meeting was to receive the Washington State Auditor's Annual Audit entrance briefing.

Councilmembers Bill Pelozza, John Holman, Wayne Osborne, and Yolanda Trout were present.

Finance Director Shelley Coleman, Financial Services Manager Rhonda Ewing, and City Clerk Danielle Daskam were present.

Representatives from the State Auditor's Office present: Audit Supervisor Janise Hansen, Audit Lead Moriah Banasick and Audit Manager Renee Meyer.

**II. DISCUSSION ITEMS**

**A. Washington State Auditor's Office Annual Audit Entrance Briefing**

Audit Manager Meyer provided the Council with copies of a written overview of the audit components (entrance document) and reviewed the audit scope:

Accountability Audit - examination of financial records to evaluate whether public funds were handled properly and in accordance with laws, regulations, and City policies to ensure no loss of public funds.

Financial Statement Audit - in accordance with the Government Auditing Standards, obtain reasonable assurance that the financial statements are free of material misstatement.

Federal Grant Compliance Audit - This audit is required when federal grant expenditures exceed \$500,000.00 in a fiscal year and includes evaluation of the effectiveness of internal controls and determines compliance with federal requirements. The audit will ensure compliance with the Highway Planning and Construction Program, CFDA 20.205.

Other focus areas for the 2013 Audit include procurement for Public Works projects, cash management at multiple locations, vendor transactions, and revisiting internal controls at the cemetery. The auditors will revisit last year's management letter and review cash receipting and inventory of small and attractive assets such as urns and headstones at the cemetery.

Ms. Hansen also reviewed the types of reporting levels for audit recommendations including findings, management letters, and exit items.

### III. ADJOURNMENT

There being no further discussion related to the State Auditor's entrance conference, the meeting adjourned at 11:25 a.m.

APPROVED this 21<sup>st</sup> day of July, 2014.

Nancy Backus  
NANCY BACKUS, MAYOR

Danielle Daskam  
Danielle Daskam, City Clerk