



Item No. 6 Town of Atherton

FINANCE COMMITTEE STAFF REPORT

TO: FINANCE COMMITTEE

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: JULY 15, 2014

SUBJECT: DISCUSSION OF THE 2013/14 FISCAL YEAR AUDIT PROCESS AND GIVE UPDATE

RECOMMENDATION

Discuss the Fiscal Year 2013/14 Year Audit process and determine if there is a need to set up a meeting to meet with the independent auditor Maze and Associates.

BACKGROUND

Maze and Associates is the Town's independent auditor and is tasked with the audit of the basic financial statements. The auditors were here the week of June 23, 2014 to perform interim audit work in preparation of the Fiscal Year end 2013/14 audit. This is the preliminary phase of the fiscal year audit as the firm performs testing of accounting records and procedures. The Town audit is conducted in accordance with generally accepted auditing standards in the U.S. and the objective is to express opinions as to whether the financial statements are fairly presented in all aspects of generally accepted accounting principles (GAAP). The objective also includes reporting on Town internal controls related to financial statements and compliance within provisions of laws, regulations, and contracts in conformity of Government Auditing Standards. Once the auditor completes the interim audit phase, it is customary to communicate with the Finance Committee or members of the Town Council. This communication outlines the auditor's responsibilities under generally accepted auditing standards, the planned scope and timing of the audit, independence, and the significant findings from the audit. This also could include discussion of a preliminary accounting issues memo as a result of the preliminary audit. The auditor will also discuss if there are any new governmental accounting standards statements that need to be implemented.

The auditor is unable to meet with us today, thus we would take this time to discuss setting up a meeting if the committee so chooses, with the auditor at a later date to discuss the interim audit and scope. This could be done in two ways:

1. Either through a special meeting of the Audit/Finance Committee or;

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2. An Ad-Hoc committee selected from amongst the group

If the committee chooses an Ad-Hoc approach we would appoint members to be on the committee at this time. Only 2 members from the Audit/Finance committee can be appointed to avoid Brown Act meeting violations.

FINDINGS | ANALYSIS

The Committee could choose to meet with auditor to discuss FY 2013/14 interim audit phase as the Finance Staff continues preparation for the final audit field work scheduled for the week of November 14, 2014

FISCAL IMPACT

None

ATTACHMENT