



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Andy Cherullo, Finance Director  
**COPY:** Government Performance and Finance Committee and Audit Advisory Board  
**PRESENTER:** Susan Calderon, Assistant Finance Director/Controller  
**SUBJECT:** State Auditor's Office 2017 Exit Accountability, 2018 Exit Federal and Financial and 2018 Entrance Accountability Conference  
**DATE:** October 15, 2019

**PRESENTATION TYPE:**  
Informational Briefing

**SUMMARY:**

The State Auditor's Office (SAO) will be conducting:

- An exit conference for the work they completed on the City's 2018 Annual Financial Audit and Federal Audit and will provide the following information: 1) the clean (unmodified) audit opinion of the City's 2018 CAFR, 2) an explanation of audit findings and, 3) other required communications.
- An entrance conference for the 2018 accountability audit.

**BACKGROUND:**

The State Auditor's Office (SAO) performs several types of audits for the City:

- Annual Financial Audit - this is the audit of the City's Comprehensive Annual Financial Report (CAFR)
- Federal Audit - an audit of the federal funds the City receives
- Accountability Audits – these look at procedures, internal controls and compliance with laws and regulations

As part of these various audits, the SAO performs entrance and exit conferences. An entrance conference is an opportunity for the auditor to present their audit plan and seek feedback. An exit conference is conducted to allow the auditors the opportunity to present the outcomes of the audit and address any questions that may arise.

The Audit Advisory Board supports the Government Performance and Finance Committee (GPFC) in carrying out its audit advisory, oversight and liaison functions. These functions include: ensuring coordination of audit needs and working with the independent auditors; making audit management recommendations; and acting as liaison between the City Council and the office of the City Manager with regard to the audits of programs, functions, and activities.

**ISSUE:**

In the SAO exit conference they will provide the following information on the City's 2018 Annual Financial Audit and Federal Audit including: 1) the clean (unmodified) audit opinions, 2) audit findings and, 3) other required communications. The Committee will then have an opportunity to ask questions. In the SAO entrance conference they will provide information on their audit plan and provide the Audit Advisory Board the opportunity to provide feedback and ask questions on their plan.



**ALTERNATIVES:**

This is an information briefing only. There are no alternatives presented.

**FISCAL IMPACT:**

This is an information briefing only. There is no fiscal impact.

**RECOMMENDATION:**

This is an information briefing only. There is no recommendation.