

City of Copperas Cove

January 7, 2014

Information item

Annual Report of the Audit Committee

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SUBJECT: Annual Audit Committee Report. **Velia Key, Director of Financial Services.**

1. BACKGROUND/HISTORY

On February 19, 2013, an Audit Committee was established by Resolution No. 2013-06. The City Council realized the need, especially in today's current environment for increased transparency and accountability of public funds. The City Council is ultimately responsible for ensuring that management is meeting its internal control and financial responsibility.

The Government Finance Officers Association of the United States and Canada (GFOA), recommends that all governments establish an Audit committee as a best practice, and to assist the City council in the oversight of the public funds and financial reporting.

2. FINDINGS/CURRENT ACTIVITY

The duties and responsibilities of the Audit committee are to carefully review upon completion of the City's annual financial audit all audit findings in the audit report, and to consult with the external auditors regarding any irregularities and significant deficiencies disclosed in the annual audit.

The audit committee is empowered to meet with management to discuss audit findings and / or disagreements with the external auditors. The committee should satisfy itself when appropriate and timely corrective action has been taken by management to remedy any identified discrepancies. The committee should determine what corrective action, if any, should be recommended to the City Council.

The committee is responsible to present a written report detailing how the committee discharged its duties and any committee recommendations to the City Council.