

The background of the slide is a faded image of the Austin City Hall building, showing its modern architecture with large windows and a prominent entrance.

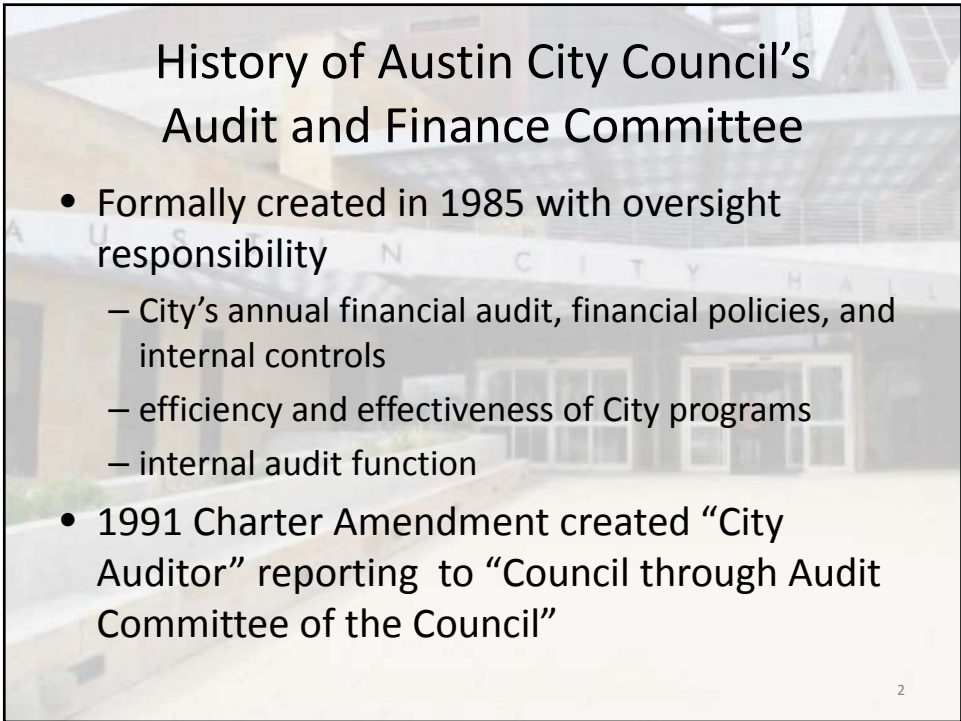
Austin City Council Audit and Finance Committee

Orientation

March 25, 2015

Presenters: Elaine Hart, Chief Financial Officer
and Corrie Stokes, Acting City Auditor

1

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History of Austin City Council's Audit and Finance Committee

- Formally created in 1985 with oversight responsibility
 - City's annual financial audit, financial policies, and internal controls
 - efficiency and effectiveness of City programs
 - internal audit function
- 1991 Charter Amendment created "City Auditor" reporting to "Council through Audit Committee of the Council"

2

Responsibilities per City Code

Assist Council in oversight of:

- City's financial and performance reporting practices
- Effectiveness of internal controls
- Compliance with applicable laws and regulations
- Ethical conduct

3

Responsibilities per City Code

Review/monitor:

- Auditor's annual plan
- Auditor's audit results
- Auditor's peer review report
- City's financial reports
- City's financial policies
- External auditor's annual financial audit
- City Board's reports and bylaw amendments

4

The City Auditor

- Primarily conduct audits, special requests, and investigations
- Per Charter - Reports directly to City Council through Audit and Finance Committee
- Per Code - present annual audit plan, audit reports, and external peer review report to this Committee

5

Office of the City Auditor

- Annual audit plan identifies performance audits to be conducted each year
- 63 audits in the last three years, covering 25 departments
- Audits and special requests since 2002 available on our website
<http://austintexas.gov/page/archive-auditor-reports>

6

Types of Audits in City of Austin

Auditor	Type of audit
City Auditor	Performance audits
City's External Auditor	Financial and grant audits, special procedures reports
Departmental Internal Auditors	Internal controls, contract, and performance audits
Other External Auditors	Concessionaires at airport and convention center, retirement benefit plans
Federal/State Auditors	Grant and oversight audits

7

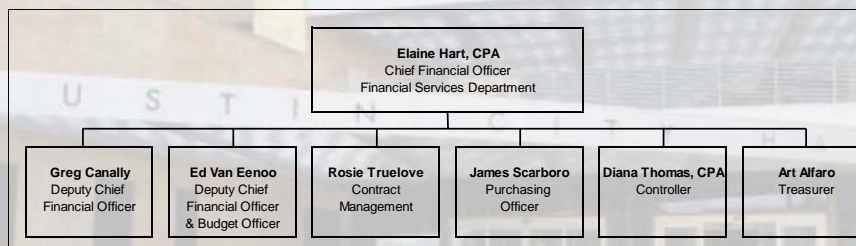
Chief Financial Officer (CFO)

By City Charter, CFO is responsible for City's financial business, excluding tax assessment and collection

- Reports to City Manager
- Oversees Financial Services Department

8

Financial Services Department



- Budget (operating and capital, performance measures)
- Contract Management (construction, related services)
- Purchasing (procurement, contract services)
- Controller (financial reporting, disbursements)
- Treasury (manage cash, investments, and debt)

9

Committee's Other Responsibilities

- Council Resolution 20091009-040
 - Provide quarterly financial updates on Austin Energy, Austin Water Utility, General Fund, other funds as requested
- Public Funds Investment Act (Govt. Code-CHAPTER 2256)
 - Adopt a written investment policy
 - Review investment policy and strategies not less than annually

10

Responsibilities in Financial Policies

- Independent certified public accounting firm shall present annual audit no later than 60 days from issuance of comprehensive annual financial report (CAFR)
- City Auditor responsible for conducting financial and performance audits in annual work plan submitted for Committee approval
 - City Manager responsible for process to ensure timely resolution of audit recommendations

11

Committee Agenda Items - Sources

- City Council and Committee members
- City Auditor's Office
 - Audit reports, annual plan, annual summary
- Financial Services Department
 - Financial audit and reports, financial policies
- City Clerk's Office
 - Board bylaw amendments
- Other Departments/Groups

12

Audit and Finance Committee Potential 2015 Agenda Items

Month	Agenda items
April	Annual financial audit, audits (3-4), municipal civil service appointments, public improvement districts overview
May	Quarterly financial report, quarterly pension update, audits (2-3), Controller's follow-up report on implementation of audit recommendations, health care cost evaluation for temporary employees, public improvement district creation petition
June	City Auditor's external peer review, audits (2-3), annual "Single" audit of City's grant funds

13

Audit and Finance Committee Potential 2015 Agenda Items

Month	Agenda items
July	Audits (2-3), general obligation bond sale overview
August	Audits (2-3), quarterly financial report, quarterly pension update, investment policy
September	Audits (2-3), FY16 audit plan
October	Audits (2-3), Integrity Unit report

14

