

## **Audit Services Oversight Committee Calendar Year 2021 Annual Report**

### **Introduction**

#### **Role of the Committee**

The Committee was established as an advisory committee to the Department of Audit Services and to the City Manager. The functions of the Audit Services Oversight Committee (ASOC) include:

- (a) Providing oversight responsibilities of the audit function;
- (b) Ensuring internal controls are in place and implemented;
- (c) Ensuring City management implement report recommendations;
- (d) Reviewing the annual audit plan and making recommendations to City Council for approval;
- (e) Making recommendations for the selection of the external auditor; and
- (f) Reviewing the City's Annual Comprehensive Financial Report (ACFR) and management response.

The Committee consists of three resident members, two City Council members, one alternate City Council member and the City Manager as an ex-officio non-voting member.

#### **Members**

Members of the Audit Services Oversight Committee (ASOC) for January through June, 2021 were (Chair) Maticia Sims, (Vice-Chair) Nick Long, Shanell Frazer, Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Councilman Charlie Reece. The term for Chairwoman Sims ended in June 2021. The new resident member selected to the ASOC was Matthew Ruterbories. With the start of the second half of the calendar year or 1Q FY22, the new officers selected out of the Nominating Committee were (Chair) Nick Long and (Vice-Chair) Shanell Frazer. The other members of the Committee the second half of the year also included Matthew Ruterbories,

Mayor Steve Schewel, Mayor Pro Tempore Jillian Johnson and Councilman Charlie Reece.

### **Meetings**

The Committee is required to hold meetings once per quarter per its By-Laws. The Committee held meetings in January, February, April, June, August, September and October of 2021. The meetings which had been conducted in the Committee Room at City Hall migrated to the Zoom virtual meeting platform due to the COVID-19 pandemic. All meetings were held virtually in calendar year 2021 on the fourth Monday of the respective months beginning at 3:30 p.m.

### **Calendar Year 2021 Accomplishments**

The Committee heard presentations of audit reports, quarterly updates on the Audit Recommendations Follow-Up Report and the Fraud, Waste and Abuse Report. The Committee members were able to gain an in depth understanding of nine different processes through the reports and discuss the various audit findings and recommendations; and ask questions of the Audit Services Department staff and management to clarify questions on the materials presented. The Committee members had a chance to submit ideas for the annual audit plan for fiscal year 2022. They were able to review the final audit engagements for fiscal year 2022 and approve that plan that was derived from a risk-based assessment. They also heard a presentation by the external auditors, Cherry Bekaert, LLP on a summary of the City's Annual Comprehensive Financial Report (ACFR) for fiscal year 2021 at the October 25, 2021 meeting.

All of these activities enabled Committee members to ensure internal controls around the processes examined were present and adequate. We were able to confirm that management understood the need to prioritize the completion of audit recommendations to help ensure the best use of tax payer resources.

### **Calendar Year 2022 Plans**

The Committee will continue to receive presentations of audit reports, quarterly updates on the Audit Recommendations Follow-Up Report and the Fraud, Waste and Abuse Report. The Committee members will weigh in

on ideas for the annual audit plan for fiscal year 2023; and they will have a chance to review and approve the fiscal year 2023 annual audit plan. They will receive a presentation by the external auditors, Cherry Bekaert, LLP on a summary of the City's Comprehensive Annual Financial Report (CAFR) for fiscal year 2022 at the October ASOC meeting of the 2022 calendar year. With the departure of Mayor Schewel as a Committee member, the ongoing Committee members are looking forward to working and collaborating with a newly constituted team.

**Resources**

No additional resources are needed to carry out the function of the Committee.

**Conclusion**

The Audit Services Oversight Committee met its responsibilities for calendar year 2021. The majority of members of the Committee were in attendance for 100% of the meetings; and those members who were absent had excused absences. The Committee will continue to meet on the fourth Monday of the month per the calendar submitted to the Clerk's Office. The meetings will revert back to in-person meetings effective for the February 2022 meeting.

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