

**May 13, 2011**  
**City of McMinnville**  
**Audit Committee Meeting**

 **Introductions**

 **City of McMinnville**

- Approval of minutes from the January 12, 2011 meeting
- Update on IS Strategic Plan
- Focus on preparation for interim fieldwork – Single Audit, GASB 54 implementation and leases

 **TKW**

○ **AUDIT DELIVERABLES**

- Opinions on Basic Financial Statements
- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance with Requirement That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133
- Independent Auditor's Report Required by Oregon State Regulations
- Summary of Revenues and Expenses as required by Minimum Standards
- Management Letter – as applicable
- SAS 112/115 Communications – as applicable
- SAS 114 Communications

○ **AUDIT APPROACH**

- Interim (June 20-June 24, 2011)
  - Audit planning
  - Update controls documentation and internal controls testing
  - Risk assessments
  - Begin Single Audit testing
  - Develop audit programs and procedures
- Field work (November 7 - November 18, 2011)
  - Perform all remaining audit areas not performed during interim
  - Complete Single Audit procedures
  - Evaluate audit results
  - Conduct an exit conference with City management
- Concluding the audit
  - Review financial statements; targeted issuance date – December 15<sup>th</sup>
  - Complete all of the audit deliverables
  - Presentation to the Audit Committee in January

○ **FRAUD DISCUSSION (SAS 99)**

- Overview
- Discussion with Committee
  - Views of the Committee on risks for fraud
  - Any knowledge of actual or alleged fraud
  - Committee's oversight of fraud risks, assessments controls
  - Nature and extent of communications the Committee desires with regard to fraud
  - Areas of concern or interest for Committee

○ **NEW GASB STATEMENTS**

- **GASB 54**, *Fund Balance Reporting and Governmental Fund Type Definitions*  
(Effective FYE June 30, 2011)

○ **OTHER MATTERS**

- Process for development of fiscal policy for reserves