

POLICIES FOR THE AUDIT, MANAGEMENT LETTER
AND RESPONSE TO MANAGEMENT LETTER

In the year Two Thousand Nine.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington annually conducts a Federal Single Audit for all departments, enterprise funds and proprietary funds and Burlington Electric conducts an audit of its own annually; and

WHEREAS, as part of the Audit process, the Auditor sends a Management Letter or SAS 112, to the City citing their audit findings and any deficiencies in the City's accounting and financial management practices as they relate to the Audit; and

WHEREAS, the Management Letter is sent annually to the Mayor and the City Council; and

WHEREAS, while not obligated by law, the Office of the Chief Administrative Officer sends a Response to the findings in the Management Letter to the Auditor; and

WHEREAS it is the responsibility to the entire Board of Finance to act as the Board of Audit; and

WHEREAS, as the Board of Audit, all members of the Board of Finance should be kept fully apprised of the audit process and the findings; and

WHEREAS, in the last Management Letter dated June 26, 2009, there were found to be 64 deficiencies in the Letter; and

WHEREAS, the minutes of the Board of Finance meetings for the last fiscal year indicate that every time the Audit was to be discussed, it was either postponed or on November 24, 2008,

POLICIES FOR THE AUDIT, MANAGEMENT LETTER
AND RESPONSE TO MANAGEMENT LETTER

it was noted in the minutes as follows:

11. Audit Findings

CAO Leopold requested that the Board review the audit findings and advise him of any questions relative to the findings for discussion at a subsequent meeting; and

WHEREAS, the proper procedures for review of the Audit and Management Letter need to be followed correctly so the Audit is appropriately reviewed; and

WHEREAS, as part of the work of the Ad Hoc Committee on the Audit of Burlington Telecom, it was discovered that several department heads and managers said they have not seen a Management Letter and read the deficiencies that pertain to their respective department or fund making it difficult for them to adequately address said deficiencies;

NOW, THEREFORE, BE IT RESOLVED that beginning with the Audit for the City for Fiscal Year 2009 ending June 30, 2009 which is currently in progress, there will be a formal process for review of the Audit and the Management Letter:

1. That on the day of receipt of said documents, a copy will be mailed to all City Councilors at their home address; and
2. That on the same day, all department heads will receive a copy of the same; and
3. That within three days, a copy of these same documents will be posted on the city's website in electronic form; and
4. Within two weeks of receipt, the Board of Finance will have a presentation from the City's Auditor along with an opportunity for the non-employee members of the Board to discuss the results of the Audit with the Auditor, requesting that city employees voluntarily not be present as is the generally accepted practice at Burlington Electric and many other businesses and governmental agencies.