

# **EDMONDS CITY COUNCIL APPROVED MINUTES**

## **AUDIT EXIT CONFERENCE**

### **July 14, 2014**

The Audit Entrance Conference was called to order at 2:32 p.m. in the Fournier Meeting Room, located at City Hall, 121 5<sup>th</sup> Avenue North, Edmonds.

#### **ELECTED OFFICIALS PRESENT**

Dave Earling, Mayor  
Diane Buckshnis, Council President  
Lora Petso, Councilmember  
Joan Bloom, Councilmember  
Adrienne Fraley-Monillas, Councilmember  
Kristiana Johnson, Councilmember

#### **WASHINGTON STATE AUDITOR'S OFFICE**

Kristina Baylor, Audit Manager  
Courtney Amonsens, Audit Supervisor

#### **OTHERS PRESENT**

Scott James, Finance Director  
Debra Sharp, Accountant  
Scott Passey, City Clerk

The purpose of the meeting was to conduct the exit conference and share the results of the independent audit and to provide a forum for open discussion. WSAO staff reviewed the following draft reports and other topics:

- Accountability audit report
- Financial statement audit report and other required communications
- Federal grant compliance audit report
- Recommendations not included in the audit reports
- Status of prior audit recommendations
- Agreed-upon services
- Report publication
- The City's next scheduled audit
- Customer service survey

Councilmember Petso raised a question about a reporting issue related to Edmonds Public Facility District funds. Ms. Baylor responded that the WSAO is satisfied with the manner in which the City has addressed the issue, so it was not selected for consideration.

Councilmember Bloom asked why prior exit recommendations were not reviewed as part of this audit. Ms. Baylor stated that the WSAO takes a risk-based audit approach because there isn't enough time to review everything. She said the WSAO follows certain procedures to vet different areas of risk, and a priority list is generated. She clarified that exit items are minor "housekeeping" items, not findings. It was noted that the City Council can follow up with staff regarding prior audit recommendations.

Ms. Baylor also clarified that the Business Improvement District (BID) is not considered a separate legal entity. This statement related to an inquiry earlier this year regarding the BID annual financial report. Mr. James said he raised the question with the BID Board, adding that the report is included as part of the City's Comprehensive Annual Financial Report on the Finance webpage.

The meeting was adjourned at 2:54 p.m.