

BOARD OF ALDERMEN

ITEM NO. D(1)

AGENDA ITEM ABSTRACT MEETING DATE: November 18, 2008

TITLE: Presentation of Audit Report for Fiscal Year Ending June 30, 2008 and SAS 112 Report

DEPARTMENT: Management Services	PUBLIC HEARING: YES ___ NO <u>x</u>
ATTACHMENTS: A. Resolution B. Audit Report and accompanying documents	FOR INFORMATION CONTACT: L. Bingham Roenigk, 918-7439 Nancy Emslie, 918-7306

PURPOSE:

The presentation tonight allows the Board to receive the FY2007-2008 Comprehensive Annual Financial Report (CAFR) and allows for LaVonne Montague, CPA, of Dixon Hughes, PLLC who oversees the town's audit to present the report and to discuss recent auditing changes that became effective June 2008 and what those changes meant to the Town regarding the performance of this year's audit.

INFORMATION:

This fiscal year a significant change in audit standards was related to the town having to more thoroughly document and assess controls and the auditors redeveloping the audit based on the risks related to those controls, including testing of those controls where applicable.

Annually, the Board of Aldermen receives the audit report that evaluates the Town's system of internal accounting controls to express an opinion on the Town's financial statements. The auditors find the financial statements present fairly, in all material respects, the financial position of the Town as of June 30, 2008 and thereby issue an "unqualified" or clean opinion.

As required under new accounting standards, the Town received a SAS 112 Report from Dixon Hughes, PLLC regarding two findings that were considered to be deficiencies in internal control involving financial reporting. Town staff agrees with the auditor's findings and have already implemented corrective actions to prevent these findings in future audits. This memo is contained within the CAFR.

FISCAL IMPACT:

None.

STAFF RECOMMENDATION:

Receive the audit report including the SAS 112 report and all related documents relative to the audit report and approve a resolution accepting the 2007-08 audit report and all related documents.