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OFFICE OF THE CITY MANAGER
NO. LTC # 191-2010

LETTER TO COMMISSION

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TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: July 8, 2010

SUBJECT Committee Of The Whole – Audit Committee

Previously, the City's Finance and Citywide Projects Committee has served as the Audit Committee for the City. At the January 26, 2010 meeting of the Finance and Citywide Projects Committee and the February 16, 2010 meeting of the Neighborhood Community Affairs, both committees accepted the City Manager's recommendation to utilize the "Committee Of The Whole" to serve as the audit committee to review the following items:

- The External Auditors' reports.
- Internal Audit's annual risk areas / plan.
- Annual Review of Internal Audit findings and status.

The recommendation accepted by both Committees was that:

- The first meeting is to occur in the first quarter whereby results of Internal Audit's prior year reports will be presented along with the current risk assessment audit plan.
- The second meeting is to occur in the third quarter with the External Auditors communicating their final reports and results along with the presentation of an interim report on the status of Internal Audit recommendations to date.

The timing of the completion of the external auditors work does not coincide with the original time scheduled to present their reports during the third quarter. While the Comprehensive Annual Financial Report (CAFR) has been completed, two of their other reports (Management Letter and the Single Audit) are in process and are usually completed by mid July. Rather than partially presenting their reports in June, we are deferring this item. The external auditor has confirmed that they will be available to present their reports at a future Committee of the Whole meeting after the July 14th Commission meeting.

Along with the presentation of external auditor's reports, a discussion of the Internal Audit Division's responsibilities will occur focusing on the types of audits performed, risk assessment used for scheduling, and the results of previous audits and status of audit findings.

We will be working with your calendars to schedule the Committee of the Whole meeting after July 14, 2010. If you have any questions or need additional information, please feel free to contact me.

JMG/KGB/JJS

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