



**CITY OF PLACENTIA
FINANCIAL AUDIT OVERSIGHT COMMITTEE
MEETING AGENDA
6:00 P.M.
MAY 7, 2014
401 E CHAPMAN AVENUE
PLACENTIA, CA 92870**

CALL TO ORDER:

ROLL CALL: Committee Members DeRose, Jo, Larson, Mooberry, Padilla

ORAL COMMUNICATIONS:

At this time the public is invited to address the Committee concerning any items on the agenda.

1. MINUTES

Financial Audit Oversight Committee Meeting

October 14, 2013

Recommended Action: Approve

2. STATUS OF 2013-2014 FISCAL YEAR AUDIT –UPDATE ON SCHEDULE AND AUDIT PLAN

Recommended Action: Report out

COMMITTEE MEMBER REQUESTS:

FINANCE DEPARTMENT REPORT:

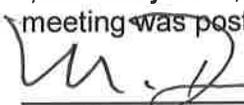
ADJOURNMENT:

The Financial Audit Oversight Committee will adjourn to the next regular meeting on July 14, 2014, at 6:00 P.M.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Finance Department at (714) 993-8237. Notification 48 hours prior to the meeting will generally enable City Staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

CERTIFICATION OF POSTING

I, Matt Reynolds, Management Analyst for the City of Placentia, hereby certify that the Agenda for the meeting was posted on May 2, 2014.



Matt Reynolds, Management Analyst

**CITY OF PLACENTIA
FINANCIAL AUDIT OVERSIGHT COMMITTEE
MEETING MINUTES
November 21, 2013
6:00 P.M. – Administrative Conference Room
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Chairman DeRose called the meeting to order at 6:04 p.m.

ROLL CALL:

Present: Committee Members DeRose, Larson, Padilla, Jo
Absent: Mooberry (Excused)

STAFF PRESENT: Mike Nguyen, Finance Services Manager; Eric Hendrickson, Accountant; Matt Reynolds, Management Analyst

AUDITORS PRESENT: Wayne Pinnell, Partner, Haskell & White, LLP; Tracy Cuculic, Auditor, Haskell & White LLP; Kari Walton, Auditor, Haskell & White LLP

ORAL COMMUNICATIONS: None

1. Approval of Minutes of October 14, 2013

Financial Impact: None

Recommended Action: Approve

(APPROVED 4-0)

2. Review of Final Draft of Comprehensive Annual Financial Report for Fiscal Year 2012-2013.

Financial Impact: None

Recommended Action: Recommendation to City Council to Receive and File Comprehensive Annual Financial Report for Fiscal Year 2012-2013.

Wayne Pinnell, Partner with Haskell & White, LLP gave an overall summary of the audit process and provided a handout to the Committee (Exhibit A). Mr. Pinnell noted that the auditors encountered no significant difficulties in performing and completing the audit. He further informed the committee that no adjustments to balances were requested by the auditors in the 2012-2013 fiscal year audit and that no misstatements were noted in the audit.

Mr. Pinnell brought to the Committee's attention that he had a conversation with the City Administrator regarding the evaluation/resolution of liquidity concerns. Mr. Pinnell further stated they would be reviewing actions the City Council would take in December and January to resolve these concerns. He stated the auditors would like to see action that was "long term action" and not just one time fixes to financial issues.

Mr. Pinnell reported to the Committee that the auditors did not identify any deficiencies in internal controls that could be considered a material weakness or significant deficiency.

Mr. Pinnell updated the Committee regarding Government Accounting Standards Board (GASB) requirements related to GASB 65, 66,67,68,69 and 70. None of these requirements will affect this audit. He further stated that some upcoming new GASB requirements in the future could impact the City of Placentia's financial statements beginning in fiscal year 2014-2015 regarding pension liability disclosure. Mr. Nguyen advised the Committee that the City currently does report pension obligation liability in footnotes in the current audit.

At this point in the meeting, Mr. Pinnell asked if the Committee had any questions regarding the Comprehensive Annual Financial Report (CAFR). Member DeRose asked if the firm hired to review the operations of the City and recommend a fiscal sustainability plan (Management Partners) had completed their review. Mr. Nguyen responded that Management Partner's report should be completed and presented to the City Council sometime in January.

Member DeRose asked for clarification on the "due to" "due from" items listed on page 49 of the CAFR. Mr. Nguyen explained the reimbursement process between funds. Most of the reimbursements are from the capital projects fund. Most projects are from state and federal grants and there is often a delay in receiving reimbursement.

Mr. Reynolds asked the Committee if they felt they needed to talk with the auditors without City Staff being present in the room. He explained that it is a meeting open to the public but Staff could leave the room if they Committee felt they needed to have a discussion with the auditors without Staff. Member DeRose asked the Committee if anyone would like to talk with auditors without Staff and no members felt that was necessary.

Mr. Reynolds asked the Committee if they felt they could give a recommendation to City Council to receive and file the CAFR. Member DeRose stated he was in favor of the recommendation with the condition that should any substantive changes be made as the final draft was being assembled, the Committee could hold a special meeting to discuss those issues. Discussion was held between the Committee regarding this and Member DeRose suggested amending the recommendation to be as follows, the committee would recommending to City Council to receive and file the CARF on condition that no finding of disclosure on liquidity occurs. Should this occur a special meeting would be called to further review the CAFR. Motion was made by Member Padilla, seconded by Member Jo to Recommend to City Council to Receive and file based on no further discloser or liquidity.
(APPROVED 4-0)

Financial Oversight Audit Committee
Minutes of November 21, 2013

Page | 3

COMMITTEE MEMBER REQUESTS: None

FINANCE DIRECTOR REPORT: None

ADJOURNMENT:

The Financial Audit Oversight Committee adjourned at 7:15 p.m. to the next regular meeting on Monday, January 13, 2014 at 6:00 p.m.

ATTEST:

Matt Reynolds, Management Analyst