



**DATE:** November 10, 2020

**CATEGORY:** Consent

**DEPT.:** Finance and Administrative Services,  
Council Policy and Procedures  
Committee

**TITLE:** **Revisions to Council Policy B-6 –  
Selection of the External,  
Independent Auditor – Concerning  
the Presentation of Audit Results**

### **RECOMMENDATION**

Adopt a Resolution of the City Council of the City of Mountain View Revising Council Policy B-6, Selection of the External, Independent Auditor, to be read in title only, further reading waived (Attachment 1 to the Council report).

### **BACKGROUND**

Council Policy B-6 addresses the process for hiring the City's external independent auditor. The process is placed under the responsibility of the Council Finance Committee (CFC). Among the responsibilities of the CFC is to work with Finance and Administrative Services Department staff to approve the criteria used in a Request for Proposals, interview the top firms, and to make a final determination of which firm to recommend to the City Council to serve as auditor.

The policy further states at the conclusion of the audit, the auditor will present their observations, conclusions, and any findings in a Study Session of the City Council. The policy has been in place since 2003.

Currently, once the audit is completed, a Study Session with the City Council is scheduled, and a presentation is made by the independent auditor, typically in December. A separate Consent Calendar item is agendaized for the same meeting to accept the City's Comprehensive Annual Financial Report (CAFR) and other auditor's reports.

## **ANALYSIS**

While the current policy is one that is common in various cities, staff would like to revise the policy to have the auditor present their observations, conclusions, and any findings to the CFC instead of the City Council, and the CFC would then recommend to the City Council further action (e.g., approval and receipt). This would allow the same body that was involved in the hiring process to focus specifically on the results of the audit and on any related matters of process or findings.

Many cities utilize finance and/or audit committees to receive the results of the annual financial audit from that city's auditor and then forward a recommendation to that city's city council to accept and receive the audit reports and still provide the city council the opportunity to review the documents and to ask questions regarding the audit results. Staff believes that making this change will help streamline the process while ensuring that Council and the public still receive the same information and opportunity for review and comment on the annual audit.

The Council Policy and Procedures Committee (Committee) met on October 28, 2020, to consider this item. The Committee consists of Chair Matchak, Councilmember McAlister, and Councilmember Ramirez. After a brief discussion, the Committee recommended approval of the proposed revisions to the policy by a 2-1 vote.

If approved, this will take effect immediately, and the Fiscal Year 2019-20 audit results will be presented in accordance with the approved, revised policy.

## **FISCAL IMPACT**

There is no fiscal impact from approving this item.

## **ALTERNATIVES**

1. Do not approve the changes to Policy B-6.
2. Provide other direction to staff.

**PUBLIC NOTICING** – Agenda posting.

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Attachment: 1. Resolution