

# COMMITTEE WORKSHEET

## AUDIT COMMITTEE

**Mission Statement:** The Audit Committee serves to ensure that the City of Hyattsville fulfills its responsibilities for accountability to the local community, and that meets the expectations of partners, regulators, and other stakeholders. The Committee will review completed audits with the City's auditor of record and City Treasurer or their designee and provide recommendations if needed on matters relating to the audit conclusions of the City's internal control policies and practices. The Audit Committee will seek to encourage continuous improvement of and foster adherence to City policies, procedures, and practices to safeguard the integrity of the City's financial statements.

**Scope:** The duties of the committee shall include:

1. Selection of Auditing Firm: One (1) member of the committee shall be designated to participate in the selection process for the City's independent auditor firm.
2. Financial Audit: The committee shall review with management and the independent auditors the final audit results and make recommendations on policies and procedures to the City Council, where necessary. This review may include:
  - Review of the Management Letter
  - Review of the Governance Letter
  - Review of Internal Controls Report
  - Review of any identified material issues
3. Other audit-related functions as directed by a majority vote of the City Council.
4. Committee Worksheet: The committee shall review the Audit Committee Worksheet annually to reassess its adequacy and make recommendations for changes to the City Council as needed.

**Deliverables:** The committee shall issue a report to the City Council within 60 days of the first committee meeting to review a completed audit report. The report should include recommendations on policies and procedures related to audit findings, and information on any new or pending developments in accounting or reporting standards that may impact the City.

**Frequency of meetings:** Meetings shall be scheduled to occur within 30 days of the public release of the city's annual audit. Additional meetings may be scheduled as deemed necessary by the committee, or at the request of Council.

**Minimum number of meetings per year:** The committee shall meet a minimum of two (2) times per year.

**The Committee is temporary/permanent:** Permanent

**Composition of members:**

The Committee will be composed of not less than three (3) but not more than five (5) voting members, appointed by the City Council for two (2) year terms. A majority of the voting committee members must be residents of the City.

- One (1) member who is a qualified financial professional with significant experience, not employed by the City, and deemed suitable for appointment to the position by the Council. This is a voting member of the committee.
- Two (2) to four (4) members with backgrounds in government, business, municipal finance or accounting. All City resident members of the audit committee should possess a basic understanding of governmental financial reporting and auditing, including an understanding of generally accepted accounting principles and financial statements, auditing, or analyzing financial statements, and experience with internal accounting controls. These are voting members of the committee.
  - Representation from each City ward is not required, but preferred
- Representatives from the City's third-party auditing firm, and the City's financial advisor (non-voting members).

Members are eligible to participate in the City's committee stipend program. Representatives from the third-party auditor will be paid per their contract with the City.

The Committee shall annually elect a Chair and a Record Keeper. A Vice Chair may be elected at the discretion of the Committee.

Voting members may not hold political offices, be a member of the media, or otherwise conduct business with the City of Hyattsville that would benefit them financially.

**Council Liaison:**

The committee will have up to two (2) Council liaisons. Council liaisons are non-voting members.

**City Staff:**

The committee will have up to two (2) staff liaisons from the Finance Department. Staff liaisons are non-voting members.