



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** James L. Becklenberg, Acting Deputy City Manager  
**MEETING DATE:** February 3, 2010  
**SUBJECT:** APPOINTING AN AD HOC AUDIT COMMITTEE TO REVIEW THE JUNE 30, 2009 AUDIT  
**CEQA:** This does not constitute a “project” under California Environmental Quality Act (CEQA) guidelines.

**RECOMMENDATION**

Establish and appoint an ad hoc Audit Committee to review the results of the independent financial audit for the fiscal year ended June 30, 2009.

**DISCUSSION**

Best practices for annual financial auditing processes include involvement from an “audit committee,” comprising elected officials and/or qualified members of the public. Typical audit committee duties include meeting with the auditors as the audit commences to help plan the audit and to review the results of the audit in some detail with the auditors at the conclusion. This process is intended to foster direct access and communication between Councilmembers or other citizens and the auditors. The intended effects of the audit committee process are to reinforce the accountability of the auditors to the City Council, thereby bolstering confidence in the audited financial statements.

The Budget and Finance Committee conducted an audit planning discussion with the auditors at its November 17, 2009 meeting. Pursuant to the changes to boards and commissions recently adopted, staff recommends appointing an ad hoc Audit Committee to review the results of the June 30, 2009 audit. The Committee’s term would be for the period February 3 - 28, 2010, with the intent of having one meeting on February 4<sup>th</sup> with the Auditors. The Committee will have the opportunity to advise or make recommendations to the City Council regarding the audit results.

Based on discussions with Mayor Garcia regarding appointments to the Committee, staff recommends that the Audit Committee include Councilmember Lisa Bennett, and local Certified Public Accountants Barry Dolowich and Peter Tansil. With the City Council’s approval, staff will convene the committee any recommendations to the City Council on February 17, when the audit results are presented to the City Council.

**FISCAL IMPACT**

None.

RESPECTFULLY SUBMITTED:

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James L. Becklenberg  
Acting Deputy City Manager

*THOMAS FRUTCHEY*

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Thomas Frutchey  
City Manager