

## RESOLUTION NO. 2016-04-01

**A RESOLUTION OF THE CITY OF WESTON, TEXAS, COLLIN COUNTY, TEXAS, ADOPTING A WRITTEN AUDIT POLICY AND PROCESS; PROVIDING THAT THIS RESOLUTION SHALL BE CUMULATIVE OF ALL RESOLUTIONS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Weston, Texas is a Type-A general-law municipality located in Collin County, created in accordance with the provisions of Chapter 6 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas;

**WHEREAS**, the City Council has elected to participate in the Local Government Management Assessment (LGMA) program from the Texas Comptroller's Office; and,

**WHEREAS**, the LGMA has recommended that the City adopt a written audit policy and process; and

**WHEREAS**, the City Council wishes to adopt a written audit policy as important to financial transparency, a critical element of the City's stewardship of public funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESTON, TEXAS:

**SECTION 1  
EXHIBIT A**

**SECTION 2  
CUMULATIVE REPEALER CLAUSE**

This Resolution shall be cumulative of all other Resolutions and shall not repeal any of the provisions of such Resolutions except for those instances where there are direct conflicts with the provisions of this Resolution. Resolutions, or parts thereof, in force at the time this Resolution shall take effect and that are inconsistent with this Resolution are hereby repealed to the extent that they are inconsistent with this Resolution. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Resolutions on the date of adoption of this Resolution shall continue to be governed by the provisions of such Resolution and for that purpose the Resolution shall remain in full force and effect

**SECTION 3  
PROVISIONS SEVERABLE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, paragraphs and sections of this Resolution are severable, and if any phrase, clause, sentence, paragraph or section of this Resolution shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Resolution, since the same would have been enacted by the City Council without the incorporation in this Resolution of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 4  
EFFECTIVE DATE**

This Resolution shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

ADOPTED by Council this, the 12<sup>th</sup> day of April, 2016.

APPROVE

  
Patti Harrington, Mayor

ATTEST

  
Susan Coffey, City Secretary

# AUDIT POLICY AND PROCEDURES

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## ***The Municipal Budget***

State law requires municipalities to adopt a formal budget. Generally, a budget is a plan of action for a fiscal year representing the choices of the governing authorities as to how the municipality will allocate its limited resources among various competing demands. The budget also serves to justify the need to levy taxes for the support of municipal operations. A statement by fund of estimated receipts, disbursements, and balances for the next fiscal year, accompanied by other information that helps understanding of the fund statements and the municipality's overall financial picture.

The clerk of the municipality is required to open and keep the books and records of the accounting system. This means the municipal clerk is responsible for maintaining accurate and orderly accounting records, and at all times should assure they are secure from loss, damage, alteration, and are accessible to the municipal auditor.

## ***The Municipal Audit***

### ***Contract Requirements***

The governing authority must enter into a written contract with a municipal auditor to perform the annual audit. This contract must assure the auditor's reports, financial statements, and supplemental schedules are prepared in accordance with the American Institute of Certified Public Accountants (AICPA) guidelines and other standards described below.

The audit contract may be for one or more years up to the last year of the term of office of the governing authorities. The auditor's engagement letter may serve as the written contract. The contract must also address the requirement to provide necessary hard and electronic copies of the audit report and allow subsequent auditors reasonable access to predecessor auditor's working papers.

### ***Record Access***

In connection with the annual audit, the municipality must make all relevant records available to the municipal auditor and provide appropriate assistance throughout the audit process.

### ***Auditing Standards***

All audit and compilation services must be provided in accordance with Generally Accepted Auditing Standards (GAAS) or Standard for Accounting and Review services (SARS) as prescribed by the American Institute of Certified Public Accountants (AICPA). Other auditing standards, such as government auditing standards (yellow book) prescribed by the United States General Accounting Office (GAO) are only required in those cases where the municipality contracts for such services. GAO auditing standards will be required when the municipality contracts for federal audit work, such as a federal single audit.

### ***Auditing Procedures***

The governing authority of every municipality in the State shall have the municipal books audited annually, before the close of the next succeeding fiscal year. It is the auditor's responsibility to develop a suitable audit program utilizing the applicable above-mentioned standards.

The municipality shall pay for the audit or report out of its general fund. No advertisement shall be necessary before entering into the contract, and it shall be entered into as a private contract.

### ***Audit Timeline***

The municipal clerk shall finalize all accounting records for the fiscal year end (FE) and contact the municipal auditor to begin the audit process as soon is feasible after the FE.

### ***Municipal Audit Presentation***

The municipal auditor will present the audit before the City Council in an open public meeting. The Council may choose to approve the audit at that meeting, or opt to delay the approval until a future meeting.

### ***Public Access to the Municipal Audit***

In accordance with State law, copies of the audit are available to the public. The municipal clerk shall post and publish on its website the Public Notice below:

**PUBLIC NOTICE**

The City of Weston, Texas  
hereby gives notice that its annual  
audited  
financial report for the fiscal year ended  
\_\_\_\_\_ has been completed.

Copies are available to the public at  
City Hall 301 Main Street.