

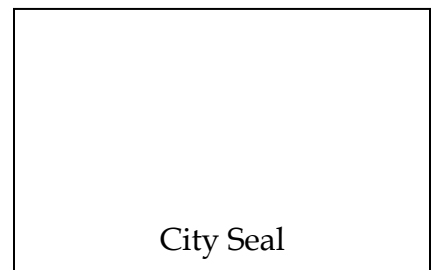
CITY OF PRESQUE ISLE

Audit Committee Policy



Adopted by City Council: March 5, 2007
Amended by City Council: April 5, 2010
Amended by City Council: December 6, 2010

Attest: _____
Nancy G. Nichols, City Clerk



AUDIT COMMITTEE POLICY

Section 1 – Establishment

The City Council hereby establishes an Audit Committee.

Section 2 – Purpose

The purpose of the Audit Committee shall be to work cooperatively with the city manager, finance director, employees and the auditor in making recommendation to the City Council to insure prudent financial oversight of the City's municipal finances.

The Audit Committee shall strive to strengthen the stewardship reporting function of the City Council; improve communication between the independent auditor and management and enhance the auditor's independence by serving as an objective buffer between the auditor and management.

Section 3 – Membership

The Audit Committee shall consist of three (3) members appointed annually by the City Council. The membership shall consist of two (2) City Councilors and one member at large who shall reside in Presque Isle and have financial and accounting expertise. All members shall serve without remuneration.

The Audit Committee shall elect a Chair from it's membership on an annual basis. The Chair shall have the authority to call for a meeting of the Audit Committee as he/she deems appropriate. The Chair shall preside at all meetings.

Section 4 – Duties

The duties of the Audit committee shall include, but are not limited to, the following:

- Review and approve the City's proposed audit services, including scope of audit, engagement agreement, independence of auditor, and the auditor's internal control procedures and associated fees.
- Evaluate the performance of the auditors.
- Meet independently (without management and staff) with the outside auditors to confirm accounting procedures, practices and controls are adequate, up to current standards, and to review any disagreements that may have occurred between management and the external auditor.

- ☑ Review with the management and auditor procedures for assessing the risk and control strategies for preventing fraudulent financial reporting.
- ☑ Have in place a procedure to monitor and make sure all investments are being invested in accordance with State and City Council policy.
- ☑ Have in place a procedure for receiving confidential employee complaints (without fear of penalty) of possible improper financial matters that can be directed to Chair of the City Council.
- ☑ Review and make recommendations of the City's investment strategies.
- ☑ Review such other matters as the City Council may assign.
- ☑ Review the performance of the City Employees' 401(a) and 457 Plans semi-annually with a representative of the current service provider.