



# BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

**AB 6315**  
**September 5, 2023**  
Choose an item.

## AGENDA BILL INFORMATION

|                            |  |  |
|----------------------------|--|--|
| <b>TITLE:</b>              | AB 6315: 2021 Financial and Accountability Audit Exit Conference | <input checked="" type="checkbox"/> Discussion Only<br><input type="checkbox"/> Action Needed:<br><input type="checkbox"/> Motion<br><input type="checkbox"/> Ordinance<br><input type="checkbox"/> Resolution |
| <b>RECOMMENDED ACTION:</b> | Receive report. No action necessary.                             |  |

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|-------------------------------|--|
| <b>DEPARTMENT:</b>            | Finance  |
| <b>STAFF:</b>                 | LaJuan Tuttle, Deputy Finance Director<br>Matt Mornick, Finance Director |
| <b>COUNCIL LIAISON:</b>       | n/a  |
| <b>EXHIBITS:</b>              | 1. 2021 Audit Engagement Letter<br>2. 2021 Audit Exit Conference Report  |
| <b>CITY COUNCIL PRIORITY:</b> | n/a  |

## EXECUTIVE SUMMARY

Representatives of the Washington State Auditor’s Office (SAO) will lead an Exit Conference to report on the results of the Financial and Accountability Audits for the fiscal year ending December 31, 2021 (see Exhibit 1 – Engagement Letter).

- The purpose of the Exit Conference is for the audit team to report audit results to management prior to publication of the audited financial statements (see Exhibit 2 – Exit Conference Report).
- After the Exit Conference, the SAO will publish the audit reports, audited financial statements, notes to the financial statement, and required supplementary information on the SAO website.

## BACKGROUND

The City of Mercer Island is audited on an annual basis. The SAO regularly performs two types of audits each year: a Financial Audit and an Accountability Audit, resulting in an audit report for both types. Additional information regarding the scope and limitations of each audit type can be found in the audit representation letter included as Exhibit 1.

A financial audit provides an independent opinion on a local government’s financial statements and the results of its operations and cash flows. In other words, a financial audit determines whether the financial statements present a reliable, accurate picture of a government’s finances.

An accountability audit evaluates whether a local government has adhered to applicable state laws, regulations, and its own policies and procedures. Auditors review records to ensure public funds are accounted for and controls are in place to protect public resources from misappropriation and misuse.

## RECOMMENDED ACTION

Receive and review the 2021 Audit Exit Conference report from the Washington State Auditor’s Office.