

## Chapter C. Charter of the Town of Dewey Beach

### Section 17. Audit Committee/Auditors

(78 Del Laws, c. 346, 7/18/2012)

- (a) The Audit Committee shall be composed of not less than three (3) property owners, the majority of whom are bona fide residents of the Town of Dewey Beach, who have no relationship to the Town that may interfere with the exercise of their independence from the Town's management and the Town. The Chairperson and members of the Committee shall be appointed by the Council at each annual meeting to serve for a term of one (1) year. Each member of the Committee shall be financially competent and at least one (1) member shall have accounting or related financial management experience. The principal purpose of the Committee is to provide oversight of the annual audit of the Town financial statements, to recommend the hiring of an independent financial audit firm, to assess the qualifications and independence of the firm and to negotiate a price for the audit, to review the performance of the independent audit firm, to review the firm's audit report and assessment of the Town's accounting and reporting practices and internal control systems, and to recommend acceptance or rejection by the Council of the audit report.
  
- (b) It shall be the responsibility of the Independent Auditors to perform an audit of the annual financial statements of the Town of Dewey Beach in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The Auditors, on or before the 15th day of August following the Town's fiscal year end shall deliver their report, including their opinion as to whether the Town's basic financial statements, together with required Supplemental Information, present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Town, and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. In addition, other Supplemental Information for the General Revenue and Special Revenue Funds shall be provided with comparative amounts for the preceding three (3) fiscal years. A summary of the report shall be printed in a newspaper which has general circulation in the Town in the issue immediately succeeding their annual report, with a statement that the full text of the report can be viewed on the Town's website, where a full copy of the report shall be accessible to visitors to the website. The financial statements are the responsibility of the Town's management. The Independent Auditor's responsibility is to render an opinion on the Town's financial statements based on their audit examination.