

Accounting, Auditing, and Financial Reporting Policy



I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth. The City Manager and Assistant City Managers ~~are~~ responsible for carrying out the policy directives of the City Council and managing the day-to-day operations of the executive departments, including the Department of Financial Management Services. This policy shall be administered on behalf of the City Manager and the Assistant City Managers by the Chief Financial Officer / Director of Finance.

II. Purpose:

This policy is intended to establish guidelines to manage and direct the City's accounting, auditing, and financial reporting activities. Specifically, under this policy, the City shall comply with prevailing federal, state, and local statutes and regulations, as well as current professional standards, principles, and practices.

III. Scope:

This policy shall apply to all funds under the budgetary and fiscal control of the City Manager and the Mayor and City Council.

IV. Glossary

See definitions related to this policy provided in the appendix.

V. Policy:

A. Conformance to Accounting Principles and Recommended Practices

The City's accounting practices and financial reporting shall conform to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. Popular Reporting

In addition to issuing a Comprehensive Annual Financial Report (CAFR) in conformity with GAAP, the City may supplement its CAFR with a simpler, "popular" report designed to assist those citizens who need or desire a less detailed overview of the City's financial activities. This report should be issued no later than six months after the close of the fiscal year.

C. Selection of Auditors

Every five years, the City shall request proposals from qualified firms, including the current

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auditors if their past performance has been satisfactory, and the Council shall approve the selection of an independent firm of certified public accountants to perform an annual audit of the books of account, records and transactions, opining of the Comprehensive Annual Financial Report and Single Audit Report and reporting the results and recommendations to the Council.

D. Audit Completion

The City seeks to have its CAFR and Single Audit Report audited and available within 180 days after the close of its previous fiscal year, which ends September 30. In the event the presentation of the CAFR and Single Audit is delayed beyond the first Council meeting in April, the City Manager or his/her designee, shall provide a report on the status of the audit and the expected completion date of the CAFR and Single Audit to the City Council at its first meeting in April.

E. Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting (CAFR program) to encourage state and local governments to go beyond the minimum requirements of generally accepted accounting principles by preparing comprehensive annual financial reports that evidence the spirit of transparency and full disclosure. The City will participate in the program yearly by submitting it's CAFR for review and implement recommended changes, as appropriate.

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