

RESOLUTION NO. 2011-01

A RESOLUTION OF THE TOWNSHIP OF RADNOR, DELAWARE COUNTY, PENNSYLVANIA, ESTABLISHING A PERMANENT CITIZENS AUDIT REVIEW & FINANCIAL ADVISORY COMMITTEE TO SERVE AS A PUBLIC AUDIT COMMITTEE AND TO ADVISE THE BOARD OF COMMISSIONERS OF RADNOR TOWNSHIP ON ISSUES CONCERNING THE TOWNSHIP BUDGET AND FINANCES

WHEREAS, the Board of Commissioners recognized the importance of public input by establishing a Citizens Budget & Finance Advisory Committee (“CBFAC”) by Resolution 2010-28 on February 22, 2010; and

WHEREAS, the CBFAC had a specific one-year term and issued its final report on October 15, 2010; and

WHEREAS, the Board of Commissioners desire to comply with the Township’s 2008 and 2009 financial audit management comments that recommend creating a public audit committee; and

WHEREAS, the Board of Commissioners has determined that a permanent Citizens Audit Review & Financial Advisory Committee (CARFAC) is essential to advise and report to the Board on issues concerning the Township audit, budget and finances on an on-going basis; and

WHEREAS, Section 8.02 of the Home Rule Charter permits the Board to establish boards and commissions.

NOW, THEREFORE, be it hereby *RESOLVED* that the Board of Commissioners does hereby establish a permanent Citizens Audit Review & Financial Advisory Committee (CARFAC) subject to requirements detailed in the attached exhibit.

SO RESOLVED, this 24th day of January, A.D. 2011.

RADNOR TOWNSHIP

By: _____
Name: John Fisher
Title: President

ATTEST: _____

Robert A. Zienkowski,
Township Manager and Secretary

RADNOR TOWNSHIP, PA
CITIZEN'S AUDIT REVIEW & FINANCIAL ADVISORY COMMITTEE



In the Township's efforts to continue to bring citizen participation in developing methods and techniques for success, the Board of Commissioners has created the Citizen's Audit Review & Financial Advisory Committee (CARFAC). It is the expectation of the Board that members of the CARFAC share their expertise and serve as a network for educating the public on the Township's financial practices and objectives, while continuing to foster the trust and stable accountability between the Township and its stakeholders.

Foundation and Purpose

The National Commission on Fraudulent Financial Reporting (known as the Treadway Commission), has stated that an audit committee can serve as "informed, vigilant, and effective overseers of the financial reporting process and internal controls." An audit committee should perform the following functions:

- Review the annual unaudited financial report submitted by the Administration
- Periodically review the process used to prepare interim financial information submitted to the Board of Commissioners
- Publicly review audit results (to include annual financial audits, pension audits, and any other mandated audit performed on the Township's finances)
- Assure that audit recommendations are appropriately addressed
- Report at least once annually to the Board of Commissioners in accordance with their responsibilities

Generally Accepted Auditing Standards require that auditors communicate the following information to an audit committee:

- The auditor's professional responsibility under generally accepted auditing standards
- Selections of accounting policies
- Sensitive accounting estimates
- Significant or material audit adjustments
- Unresolved disagreements with management
- Difficulties encountered in performing the audit

The Citizens' Audit Review & Financial Advisory Committee is an additional layer to enhance the Township's effort to promote transparency in financial accountability and to ensure the appropriate and proper expenditure of taxpayer dollars.

Committee Members

The Citizen’s Audit Review & Financial Advisory Committee consists of nine (x9) volunteer members (serving without compensation) as appointed by the Board of Commissioners, subject to all local laws. It is the Board’s goal, when filling appointments to the committee, to include such members as described in the table below. Please note that this goal is not mandatory and is for informational purposes only. In addition to the volunteer members, the Township Finance Director shall serve as a non-voting, standing member to the Committee and shall serve as the liaison between the Committee, the Board and the Administration.

Each volunteer member will serve a term of four (x4) years as appointed by the Board of Commissioners. Initially, in order to stagger the terms of appointed members, two of the residential appointments will serve a two year term while the other three members will serve the regular four year term. Further, one of the initial business owner appointments will serve a two year term and the other two will serve regular four year terms.

Commissioners’ Committee Appointment Goals (non-mandatory / for information purposes only)	
Radnor Township Residents	Membership will be determined by the Board
Radnor Business Owner Representatives	
Radnor Bank or Financial Institution Representative (Cannot be from an institution that actively does business with the Township)	
Volunteer Committee (voting) Member Total	9 Members
Finance Director (non-voting)	1 Member
CARFAC Committee Total	10 Members

Committee Requirements and Responsibilities

Meetings of the CARFAC will be open to the public, held at least quarterly, and will be advertised in the same manner as other Township Boards and Committees.

Committee Responsibilities

- Meet with the Township Auditors annually before and at the conclusion of each audit.
- Review quarterly financial statements (including updated budget versus actual statements, statements of fund cash position, debt position, long-term financial forecast position or change in assumptions, pension funding status, OPEB Funding status, or other reports as discussed by the Commissioners or Committee)
- Review the progress of Board approved strategies as recommended by the Citizens Budget and Finance Advisory Committee (CBFAC) of 2010.
- Review the progress of audit recommendations to the Township
- Any other projects or tasks as assigned to it by the Township Board of Commissioners

The Committee shall report to the Board of Commissioners as deemed necessary by the Board or by the CARFAC.