



# UPDATE ON RECOMMENDATIONS FROM 2011 STATE AUDITOR'S REPORT

Finance and Property Services  
May 21, 2013

## 2011 Management & Compliance Report

- Report issued July 27, 2012
- Included a Schedule of Findings and Questioned Costs
  - ✓ Findings related to the audit of the financial statements
    - Journal Entries
    - Permanent Improvement Capital Project Fund Adjustments
    - Previously Reported Items Resolved
      - Monitoring of Internal Controls
      - City Payroll Procedures
  - ✓ Findings and questioned costs related to Federal award programs
    - No questioned costs
    - Primarily issues of communication and dissemination of knowledge
    - Identification of Federal Awards
    - Equipment and Real Property Management
    - Financial Subrecipient Monitoring
    - Requirements of Energy Efficiency and Conservation Block Grant Program
  - ✓ Finding related to compliance with State laws
    - Prompt Payment of Invoices

## Action Plan Update and Next Steps

### ➤ Corrective Actions Taken

- ✓ Had made corrections prior to the issue of the 2011 CAFR
- ✓ Developed tools and queries to reconcile, monitor and assess reliability of processes and analyze data, fund balances and related accounting transactions
- ✓ Documented policies and procedures and developed guidelines for fund management
- ✓ Developed and provided training and education to Accounting and department staff on grant requirements, reporting, subrecipient monitoring, billing and other issues
- ✓ Worked with IGR to establish a grant users group that meets quarterly
- ✓ Requested and received additional FTE in the Controller's group and IGR in 2013 to work on grant issues
- ✓ Responded to requests from Federal agencies for information and action plans and resolved issues that came up

## Action Plan Update and Next Steps (cont'd.)

### ➤ Next steps

- ✓ 2012 Financial Compliance Audit in process and just winding down
- ✓ Expect 2012 CAFR and State Auditor's Management & Compliance Report to be issued in the next month
- ✓ Report should reflect that we have resolved 2 to 3 of the findings from 2011 and that progress is being made on the remaining issues
- ✓ Finance and Property Services staff to continue to work with the Office of the State Auditor, City Internal Auditor and City departments and staff to address issues they have identified and to further improve the City's accounting and financial reporting.