



Administrative Report

J.3., File # BF20-1235

Meeting Date: 8/13/2020

To: BUDGET AND FINANCE COMMISSION
From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING THE IMPLEMENTATION OF INTERNAL CONTROL MEASURES

EXECUTIVE SUMMARY

Attached is a status update of the internal control measures the City will be working to implement during FY 2020-21.

BACKGROUND

In support of the City's commitment to continually improve its operations and service delivery to the community, in June 2016, the City Council approved an agreement with Moss Adams for internal audit services. The first task was to conduct a risk analysis of the City's financial operations in their entirety to review its internal controls framework and identify areas of strength and weakness. The second task was to review the rolls and responsibilities of the City Clerk, City Treasurer, and Financial Services Department as well as those of the Human Resources Department and the Financial Services Department's payroll function. Next, the FY 2019-20 and FY 2020-21 internal audit work plans presented to the Budget and Finance Commission in February 2020 included a policy development project which began with an inventory identifying the City's current policies.

The FY 2020-21 budget was adopted with a one-year pause in working with Moss Adams on internal control measures. However, staff did commit to continuing its work on previous Moss Adams' recommendations. In the City's final FY 2019-20 monthly update with Moss Adams, they suggested that the City could independently work on the following tasks.

- Development of cash handling training
- Completion of the FY 2019-20 policy updates
- Citywide training on updated policies

Therefore, these items have been included in the internal control measures the City will be working to implement during FY 2020-21. In addition, because a draft of an ordinance to establish the Financial Services Department in the Municipal Code has already been written, the remaining work to ready it for a Mayor and City Council presentation has also been included in the FY 2020-21 internal control measures to be addressed.

COORDINATION

As listed in the status update in the “Departments” column, the Financial Services Department will work with the City Clerk and City Treasurer to complete these internal control measure tasks.

FISCAL IMPACT

Only completing the policies will require assistance from Moss Adams. This can be done with the remaining policy development project funding carried over to the current fiscal year. All other items in the status update schedule can be done without their assistance.

ATTACHMENTS

Internal Control Measures - Implementation Status