

Public Utilities Department Performance Audit and Financial Expenditure Review by Baker Tilly

City Manager's Office - Internal Audit Division

Board of Public Utilities July 25, 2016

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BACKGROUND

- 1. On July 28, 2015, the City Council endorsed the City Manager's Performance and Financial Expenditure Audit Program.
- 2. The Program provides for rotating (every five years) comprehensive performance and financial expenditure audits of all departments, by independent experts.
- 3. Riverside Public Utilities, the Finance Department and the Human Resources Department were selected for FY 2015/16.



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BACKGROUND

- 1. On August 11, 2015, the City Council approved the scope of services for the audit contracts.
- 2. On December 1, 2015, the City Council approved the agreement with Baker Tilly to conduct the performance audit and financial expenditure review of the Public Utilities Department.



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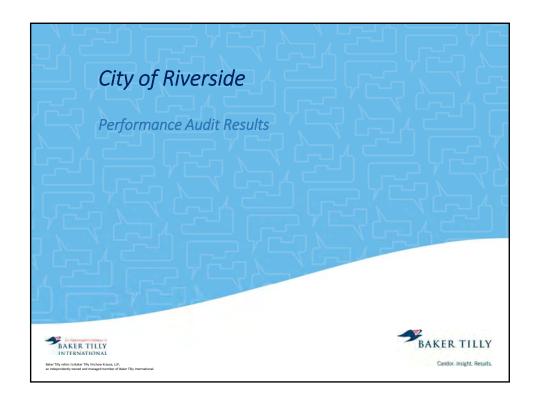
Presentation of Final Reports of the Public Utilities Department by

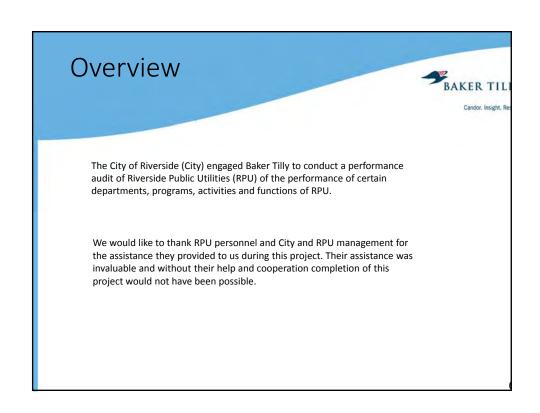
Baker Tilly International



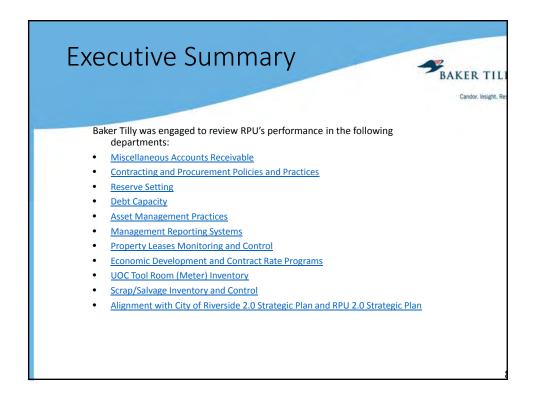
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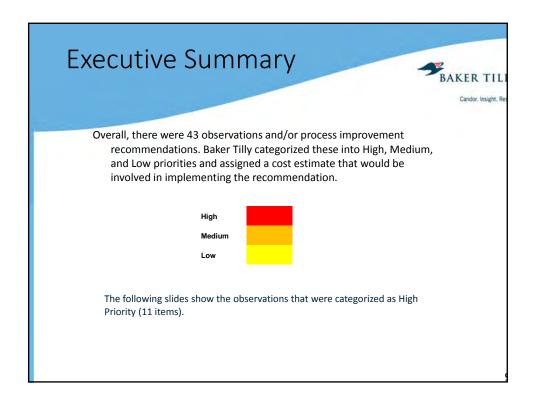
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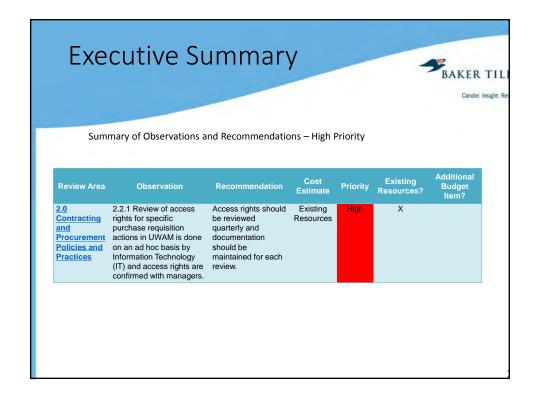


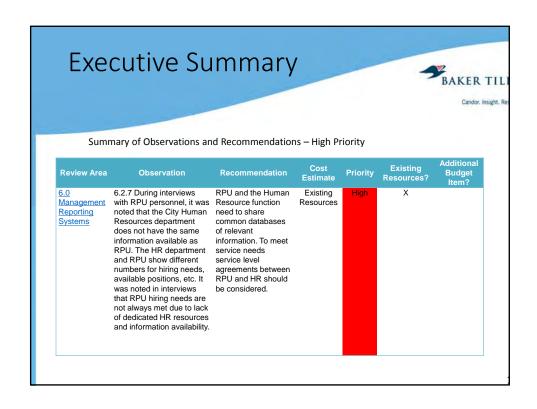


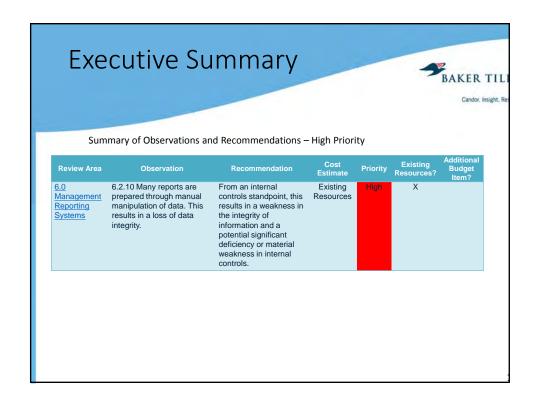


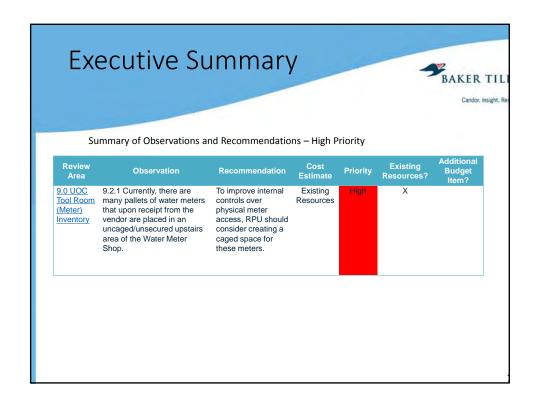


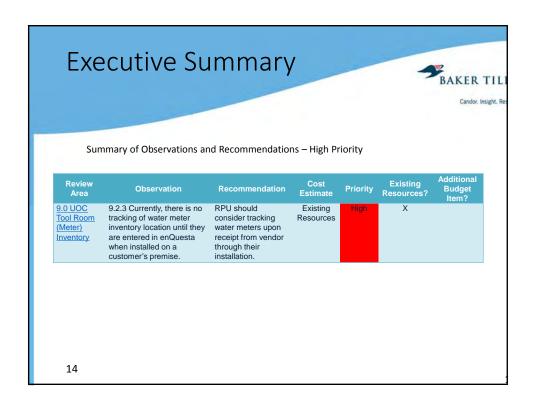


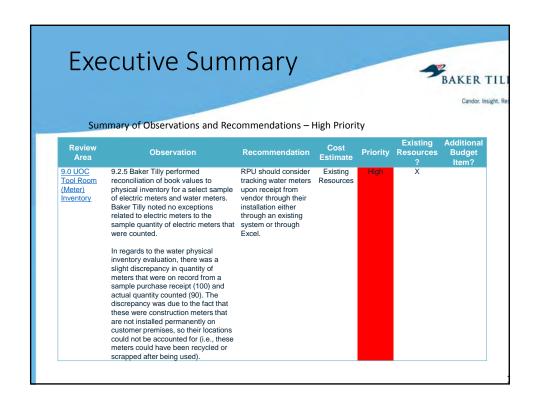


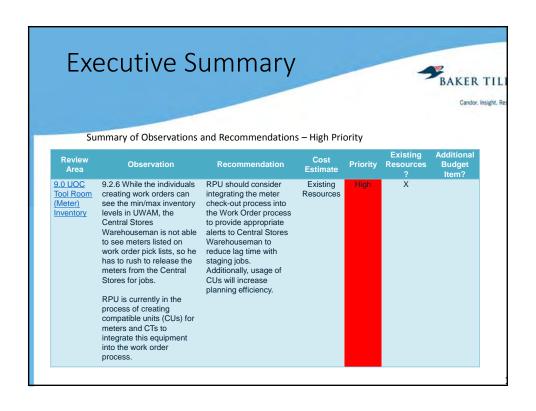


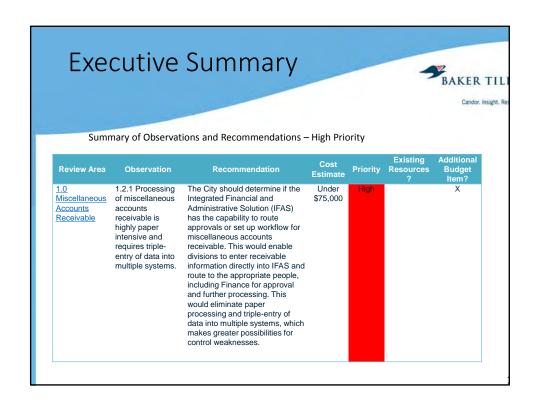


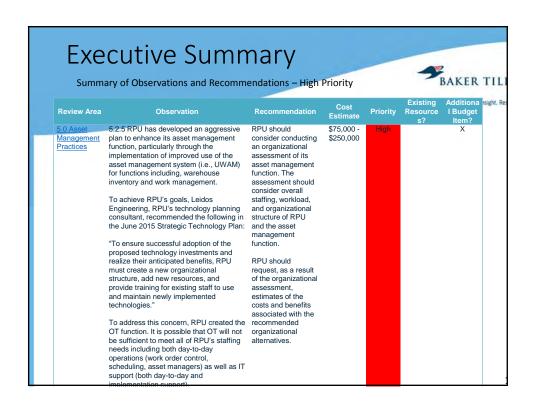


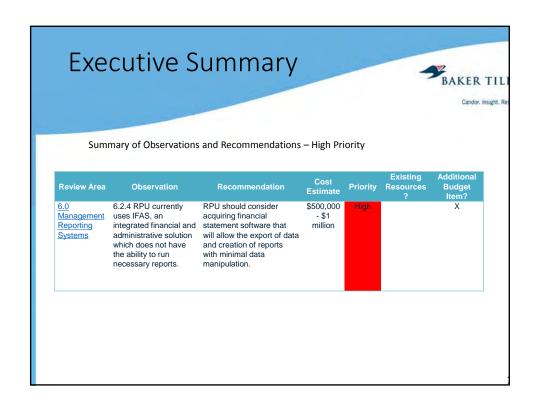


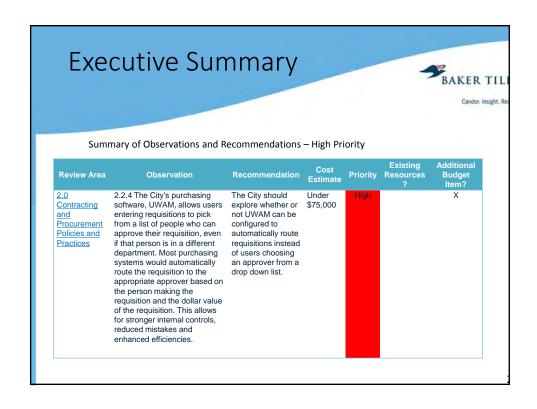




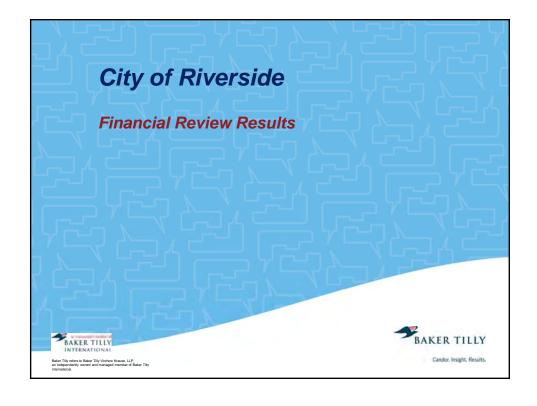


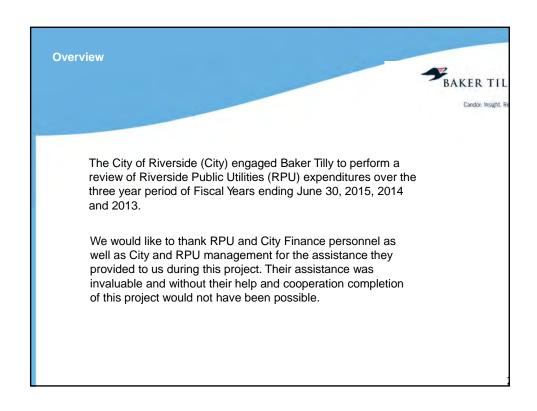


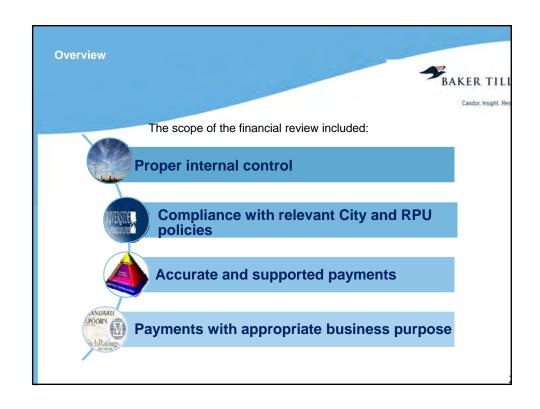


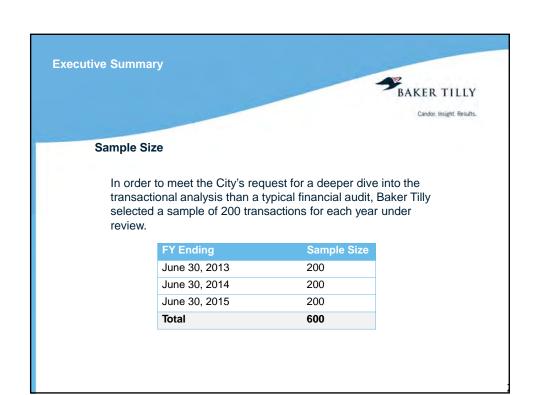


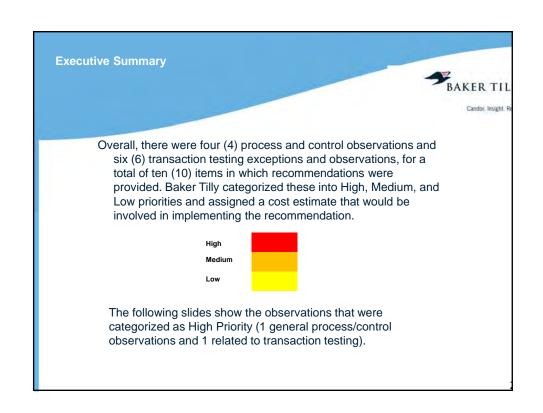
Summary of Observations and Recommendations – High Priority As noted on the previous slides, 7 out of the 11 high priority recommendations can be implemented with RPU's existing resources. The remaining 3 will require additional funds to implement ranging from an estimate of \$2,225,000 - \$5,025,000. Management Response of the 43 Performance Audit Recommendations: Agree 20 Evaluating 23

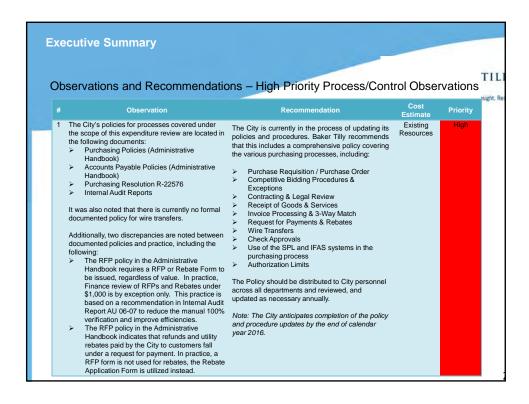


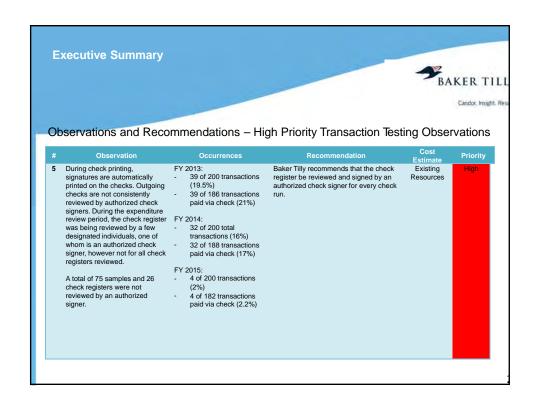


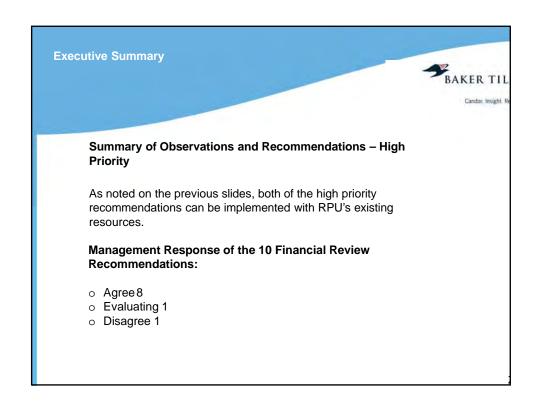














RECOMMENDATION

That the Board of Public Utilities recommend that the City Council:

- Review the findings and recommendations of the external auditor for the Performance Audit of the Public Utilities Department;
- 2. Review the findings and recommendations of the external auditor for the Financial Expenditure Review of the Public Utilities Department;
- 3. Receive and file the initial assessment of the findings and recommendations; and
- 4. Direct staff to return in September 2016 with an Action Plan.



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