



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 26, 2016**

FROM: CITY MANAGER'S OFFICE **WARDS: ALL**

SUBJECT: FINANCE DEPARTMENT PERFORMANCE AUDIT AND FINANCIAL EXPENDITURE REVIEW PREPARED BY MATRIX CONSULTING GROUP – REVIEW OF CONSULTANTS' FINDINGS AND RECOMMENDATIONS

ISSUES:

Review the findings and recommendations of the external auditor on the City Council directed Performance Audit and Financial Expenditure Review for the Finance Department; receive and file staff's initial assessment of the findings and recommendations; and direct staff to return to in September 2016 with an Action Plan.

RECOMMENDATIONS:

That the City Council:

1. Review the findings and recommendations of the external auditor on the City Council directed Performance Audit and Financial Expenditure Review of the Finance Department;
2. Receive and file initial assessment of the findings and recommendations prepared by the Finance Department's staff; and
3. Direct the Finance Department's staff to return in September 2016 with an Action Plan.

BACKGROUND:

The Performance Audit and the Financial Review of Expenditures for the three year period ending June 30, 2015, have been completed by the outside firm Matrix Consulting Group (Attachment 1).

Alan Pennington, the Vice President of Matrix Consulting Group, will provide a summary report to the City Council. Finance staff is available to answer questions, along with Project Manager Lee McDougal, Assistant City Manager Marianna Marysheva-Martinez, and Internal Audit Manager Cheryl Johannes.

The initial response to the audit recommendations has been prepared (Attachment 2). A more detailed timeline and action plan will be prepared and presented to the City Council in September 2016.

FISCAL IMPACT:

There is no fiscal impact associated with review of the audit findings and recommendations at this time. The Finance staff will review each recommendation and actions to address them, including the financial impact and timing.

Prepared by:	Cheryl Johannes, Internal Audit Manager
Concurs With:	Scott Miller, Interim Finance Director/Treasurer
Approved by:	Marianna Marysheva-Martinez, Assistant City Manager
Certified as to	
Availability of funds:	Scott G. Miller, Interim Finance Director
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Matrix Consulting Group Performance Audit and Financial Expenditure Review of the Finance Department – Final Report
2. Finance Department's Initial Response to Findings and Recommendations
3. Presentation