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COPY: Government Performance and Finance Committee – Audit Advisory Board
SUBJECT: State Auditor’s Office 2017 Exit Conference- Financial and Federal Audit
DATE: October 2, 2018

PRESENTATION TYPE: Informational Briefing

SUMMARY:

The Audit Advisory Board meets as needed to review communications from the external auditors. At the October 2, 2018 meeting, the State Auditor’s Office will conduct a 2017 audit exit conference with the Board. The Audit Advisory Board will have the opportunity to review the report, discuss any matters of interest with the external auditors, and provide the auditors and/or staff with direction regarding the audit work. The City was issued clean compliance audits with one financial audit finding and two federal audit findings related to internal controls.

BACKGROUND:

Council Resolution 36620 (August 16, 2005) established the Audit Advisory Board and charged it with, among other things, “...ensuring coordination of audit needs of the City Council and the work of independent auditors retained by the City to audit City programs, functions, and activities; making audit management recommendations to the City Council...”.

ISSUE:

The State Auditor’s Office has completed the 2017 audit for the City of Tacoma and will conduct the Financial and Federal audit exit conference. Information provided will include 1) the clean (unmodified) audit opinions given, 2) audit findings, and 3) other required communications with governance. The City received a total of three findings; one financial finding that was a result of not implementing the second year of an accounting standard relating to the Police and Firefighter’s pension funds; two federal findings that were related to federal grants - HOME and CDBG. Both findings were a result of not submitting an annual report, tracking of matching and earmarking funds, and including required information in the subrecipient contracts.

ALTERNATIVES:

This is an information briefing only. There are no alternatives presented.

FISCAL IMPACT:

This is an information briefing only. There is no fiscal impact

RECOMMENDATION:

The Audit Advisory Board should conduct the audit exit conference with the State Auditor’s Office and provide the auditors or staff with direction regarding upcoming audit work.