



Legislation Details (With Text)

File #: 16-0749 **Version:** 1 **Name:** FM - Separately Issued Financial Statements
Type: Agenda Item **Status:** Approved
File created: 8/1/2016 **In control:** City Council
On agenda: 8/16/2016 **Final action:** 8/16/2016
Title: Recommendation to receive and file the Separately Issued Financial Statements, the Federal Single Audit, and the Auditor's Communication with Those Charged with Governance for the Fiscal Year ending September 30, 2015. (Citywide)
Sponsors: Financial Management
Indexes:
Code sections:
Attachments: 1. 081616-C-8sr&att.pdf

Date	Ver.	Action By	Action	Result
8/16/2016	1	City Council	approve recommendation	Pass

Recommendation to receive and file the Separately Issued Financial Statements, the Federal Single Audit, and the Auditor's Communication with Those Charged with Governance for the Fiscal Year ending September 30, 2015. (Citywide)

On May 17, 2016, the Financial Management Department submitted to the City Council the City's Comprehensive Annual Financial Report (CAFR) and other separately issued financial reports and statements for the fiscal year ended September 30, 2016 (FY 15), as required by the City Charter. Certain City funds, joint powers authorities, and other subsidiary entities are also required to submit audited annual financial statements under separate cover, including the Aquarium of the Pacific Financial Statements. This separate report and others are enclosed and issued annually to meet distinct legal and financial requirements.

Federal Single Audit

Also attached is the Federal Single Audit required by the Federal Office of Management and Budget (OMB) for municipalities receiving over \$500,000 annually in federal funds. The Federal Single Audit, covering five major programs, resulted in no findings. This is an improvement over the audit of the previous fiscal year that resulted in one finding and zero dollars in questioned costs.

The Auditor's Communications with Those Charged with Governance

The City's external auditor (KPMG) is required to prepare and submit the Auditor's Communication with Those Charged with Governance in accordance with the Statement of Auditing Standards 114 (SAS 114). "Those Charged with Governance" refers to the person or persons responsible for the strategic direction of the entity and the obligations relative to

the accountability of such entity, including oversight of the financial reporting process. KPMG is required to communicate with those charged with governance those matters related to the financial statement audit that are, in KPMG's professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process.

Management Letter

KPMG has also provided a separately issued Management Letter that provides comments, findings and recommendations related to internal controls as well as other operational matters. No findings or material weaknesses were identified. City management has reviewed KPMG's recommendations and Management's response to each recommendation is included in the letter.

Action on this item is not time critical.

There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

STEPHEN W. HANNAH
CITY CONTROLLER

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER