



Legislation Text

File #: 17-0679, **Version:** 1

Recommendation to receive and file the Federal Single Audit, Separately Issued Financial Statement, and the Auditor's Communication with Those Charged with Governance for the Fiscal Year Ended September 30, 2016. (Citywide)

On May 23, 2017, 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 16), as required by the City Charter.

Additional reports that were not available on the above date, including the Los Cerritos Wetlands Authority annual financial report, the Long Beach Airport schedule of passenger facility charges, and the Federal Single Audit report, are enclosed and issued annually to meet distinct legal and financial requirements.

Federal Single Audit

The Federal Single Audit is 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 consistent with the results of the previous fiscal year's audit that resulted in no findings 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 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 observations and recommendations and Management's response to each recommendation is included in the letter.

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

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Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER