



# City of Culver City

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## Staff Report

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**File #:** 19-1133, **Version:** 1

**Item #:** A-2.

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**CC-- (1) Creation of a City Council Ad Hoc Subcommittee to Work with City Staff to Review the Moss Adams, LLP Internal Audit Reports and Review Staff's Recommendations for Improvements to the City's Internal Controls; and (2) Appointment of Two City Council Members Thereto.**

**Meeting Date:** April 8, 2019

**Contact Person/Dept:** Onyx Jones/Finance

**Phone Number:** (310) 253-5865

**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☐

**Public Hearing:** ☐ **Action Item:** ☒ **Attachments:** ☐

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (04/02/19)

**Department Approval:** Onyx Jones, Chief Financial Officer (04/01/19)

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### **RECOMMENDATION**

Staff recommends the City Council (1) create a City Council Ad Hoc Subcommittee to work with City staff to review the Moss Adams, LLP internal auditing reports and review Staff's recommendations for improvements to the City's internal controls; and (2) appoint two City Council Members thereto.

### **BACKGROUND/DISCUSSION**

Internal audits assist the City in the efficient use of resources by providing analysis and recommendations for improved operations and stronger internal controls. The City has hired Moss Adams, LLP as an independent audit firm to perform internal audit services in accordance with applicable industry standards. The Finance Department recognizes that effective internal controls result in best management practices for financial operations.

Moss Adams is in progress of performing a variety of reviews that include evaluating the adequacy of segregation of duties, transfers of accountability, supervisory reviews and approvals, reconciliations, physical safeguards over cash, checks and critical forms (e.g. receipts, permits and licenses) and

existence of written procedures. This review also incorporates an enterprise risk assessment of City operations including grants, payroll and accounts payable.

Staff recommends the City Council create an Ad Hoc Subcommittee to work with City Staff to review the Moss Adams reports and review Staff's recommendations for improvements to the City's internal controls. There are six audit reports currently being created by Moss Adams, LLP that will be available for the Ad Hoc Subcommittee's review based on the timeline below:

Type of Audit Report	Expected Review Date
Grant Management Internal Controls Report	Late April 2019
Fraud, Waste and Abuse Program Summary Report	Late April 2019
Enterprise Internal Controls Review	June 2019
Cash Handling Internal Controls Report	June 2019
Enterprise Risk Assessment	September 2019
Fleet Efficiency Study	October 2019

## **FISCAL ANALYSIS**

There is no fiscal impact to form a City Council Ad Hoc Subcommittee.

## **ATTACHMENTS**

None.

## **MOTION**

That the City Council:

1. Create a City Council Ad Hoc Subcommittee to work with City staff to review the Moss Adams, LLP internal auditing reports and review Staff's recommendations for improvements to the City's internal controls; and,
2. Appoint two City Council Members thereto.