



**CITY OF MODESTO
COMMITTEE AGENDA REPORT**

DATE OF MEETING:

February 22, 2016

Date: February 1, 2016

TO: Effective Government Committee
Tony Madrigal, Chair
Mani Grewal, Vice-Chair
Kristi Ah You, Member

THROUGH: James N. Holgersson, City Manager

FROM: Gloriette Genereux, Director of Finance

SUBJECT: Status Update on Moss Adam's Internal Control Report

CONTACT: DeAnna Espinoza, daespinoza@modestogov.com, 209 577-5387

DESCRIPTION:

Consider accepting an informational report on procedural changes resulting from the Moss Adams Internal Control Study that promote/ensure an effective, responsive and transparent government. (Funding Source: Not Applicable)

STRATEGIC PLAN ELEMENT:

The report supports Strategic Commitment #4, "Effective Responsive and Transparent Government – Make informed decisions embracing best practices and continuous improvement".

BACKGROUND:

On September 1, 2015, Council approved an Internal Controls Review Final Report, dated August 4, 2015 prepared by Moss Adams, LLP as the City's Internal Auditor (Attachment #1). This report contained findings that could result in improved internal controls and more effective, responsive and transparent governmental operations. Since receiving the report, staff has been working to implement changes and strengthen controls.

DISCUSSION:

Attachment #2 to this report contains a current status update of the various internal control findings from Moss Adams. Staff intends to present the Committee with quarterly updates on their implementation and obtain input on future directions.

Recommendations in Attachment #2 that were reported and considered complete in the prior update are shaded in dark green. Items completed or considered implemented during the last quarter are shaded in lighter green. Items in process have comments on current status as well

as projected completion dates. Due to the year-end audit of the City's financial statements, some items have not been reported on despite efforts toward implementation. These items will be addressed in future updates.

FISCAL IMPACT:

There is no direct fiscal impact from this report. Implementation of various recommendations could have impacts. Such impacts will be discussed in future reports or as part of the FY2016-17 budget process.

Approved by:

Gloriette Genereux, Director of Finance

James N. Holgersson, City Manager

Attachment:

1. City of Modesto Internal Control Reviews Final Report 08-04-15
2. Internal Control Responses