



# CITY OF MANTECA

FINANCE DEPARTMENT

## SINGLE AUDIT FOR THE YEAR ENDED JUNE 30, 2019

### CORRECTIVE ACTION PLANS

#### FINANCIAL STATEMENT FINDINGS - CURRENT YEAR

##### 2019-001 Timely and Accurate Year-End Close

- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Corrective Action Plan:** Management agree with the auditors concerns on the timeliness of the year-end close. We plan to establish close policies, procedures, and files to ensure that the City closes the year timely and accurately in the future and leaves a record for future staff. In addition, accounting positions within the department have been added to increase bandwidth and allow the department to maintain the close process on a monthly basis.
- **Anticipated Completion Date:** *10/31/2021*

##### 2019-002 Accounting for Development Agreement Activities

- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Corrective Action Plan:** Management agree and will develop procedures to ensure all contracts and agreements are recorded timely and accurately. The addition of accounting positions will enable the department to maintain the process once developed.
- **Anticipated Completion Date:** *10/31/2021*

##### 2019-003 Prior Year Recommendations Not Yet Implemented

- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Corrective Action Plans:**
  - **2017-002 Golf Enterprise Fund Working Capital** - Management are aware of the Golf Course working capital and subsidy condition. We will continue to evaluate potential revenue enhancements and cost savings measures as we prepare the FY 2021-22 Budget.

- **2015-002 Timely Review and Approval of Journal Entries** - The City has procedures in place for all journal entries to be reviewed before they are posted to the general ledger, and these entries are initialed by the reviewer. As we undertake a further review of internal controls during FY2020-21, we anticipate additional analysis of journal entry procedures.
- **2015-003(b)iii Investment Reporting and Compliance** - The City began formal quarterly investment reporting to the Council and the public in November 2020 for the period ending September 2020. We will be drafting a Reporting Policy and including investment reporting as a quarterly requirement in the policy.
- **2015-004 Timely Filing of Continuing Disclosure Reports** - The City has contracted out all continuing disclosure reporting. We anticipate this to be a reoccurring issue until such time that the Financial Statements are filed timely and the required information is available for disclosure, estimated to be June of 2021.
- **2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System** - See 2019-004 below
- **Anticipated Completion Date:** *12/31/2021*

**2019-004 Finance Personnel Super-User Rights**

- **Name(s) of the contact person:** *Jared Hansen, Accounting Manager*
- **Corrective Action Plan:** We agree that the security of super users should be reviewed more thoroughly and that a procedure should be established for system changes. These issues will be addressed as we undertake a review of internal controls during FY2020-21.
- **Anticipated Completion Date:** *12/31/2020*

**2019-005 Accounting for Sales of Components of Capital Assets**

- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Corrective Action Plan:** Management agree and will facilitate analysis of property transactions prior to execution in the future.
- **Anticipated Completion Date:** *10/31/2020*

**2019-006 Timely Posting of Budget Amendments to the General Ledger**

- **Name(s) of the contact person:** *Paula O'Keefe, Budget Manager*
- **Corrective Action Plan:** Management agree that recording budget amendments timely is imperative. We currently record budget amendments within two weeks after adoption, and

within two days of receipt internally. The budget policy will be updated to reflect this procedure.

- **Anticipated Completion Date:** *12/31/2021*

