



CITY OF MANTECA

FINANCE DEPARTMENT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENT FINDINGS – PRIOR AUDIT

Finding Reference Number: 2018-001 Prior Year Recommendations Not Yet Implemented

- **Fiscal Year of Initial Finding:** 2012, 2015 and 2017, as noted below.
- **Current Status:** *See Below*
 - a. **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.

Name(s) of the contact person: *Stephanie Beauchaine, Interim Finance Director*
Anticipated Completion Date: 12/31/2021

- b. **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.

Name(s) of the contact person: *Jared Hansen, Accounting Manager*
Anticipated Completion Date: 12/31/2021

- c. **2014-002 Timely Preparation and Approval of Bank Reconciliation -** Implemented during fiscal year 2019, however due to the Finance Department going through multiple years of staff turnover, delays in the preparation of the bank reconciliations occurred subsequent to year end. Key accounting positions are currently vacant, but once filled we anticipate this issue will be resolved.

Name(s) of the contact person: *Jared Hansen, Accounting Manager*
Anticipated Completion Date: 6/30/2021

- d. **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.

Name(s) of the contact person: *Stephanie Beauchaine, Interim Finance Director*
Anticipated Completion Date: 6/30/2021

Finding Reference Number: 2018-001 Prior Year Recommendations Not Yet Implemented

- e. **2012-02 Internal Controls – Segregation of Duties** - 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.

Name(s) of the contact person: *Jared Hansen, Accounting Manager*

Anticipated Completion Date: 12/31/2020

Finding Reference Number: 2017-002 Golf Enterprise Fund Working Capital

- **Fiscal Year of Initial Finding:** 2017
- **Current Status:** Management are aware of the Golf Course working capital and subsidy condition. We will continue to evaluate potential revenue enhancements and costs savings measures as we prepare the FY 2020-21 Budget.
- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Anticipated Completion Date:** 12/31/2021

Finding Reference Number: 2015-002 Timely Review and Approval of Journal Entries

- **Fiscal Year of Initial Finding:** 2015
- **Current Status:** 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.
- **Name(s) of the contact person:** *Jared Hansen, Accounting Manager*
- **Anticipated Completion Date:** 12/31/2020

Finding Reference Number: 2015-003 Investment Reporting and Compliance

- **Fiscal Year of Initial Finding:** 2015
- **Current Status:** 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.
- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Anticipated Completion Date:** 10/01/2020

Finding Reference Number: 2015-004 Timely Filing of Continuing Disclosure Reports

- **Fiscal Year of Initial Finding:** 2015
- **Current Status:** 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.
- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director*
- **Anticipated Completion Date:** 06/30/2021

Finding Reference Number: 2014-002 Timely Preparation and Approval of Bank Reconciliation

- **Fiscal Year of Initial Finding:** 2014
- **Current Status:** Implemented during fiscal year 2019, however due to the Finance Department going through multiple years of staff turnover, delays in the preparation of the bank reconciliations occurred subsequent to year end. Key accounting positions are currently vacant, but once filled we anticipate this issue will be resolved.
- **Name(s) of the contact person:** *Jared Hansen, Accounting Manager*
- **Anticipated Completion Date:** 06/30/2021

Finding Reference Number: 2012-02 Internal Controls – Segregation of Duties

- **Fiscal Year of Initial Finding:** 2012
- **Current Status:** 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.
- **Name(s) of the contact person:** *Jared Hansen, Accounting Manager*
- **Anticipated Completion Date:** 12/31/20

FEDERAL AWARD FINDINGS – PRIOR AUDIT

Finding Reference Number: 2018-001 **Review and Accuracy of Federal Financial Reports and Reimbursement Requests**

CFDA number: 20.507
CFDA Title: Federal Transit – Formula Grants (Urbanized Area Formula Program)
Name of Federal Agency: Department of Transportation - Federal Transportation Administration
Federal Award Identification Number: CA-2016-104-00, CA-90-Z172-00

- **Name(s) of the contact person:** *Stephanie Beauchaine, Interim Finance Director 07/01/2021*

- **Current Status:** Management are working on a master grants management plan which includes transit grant activities. We anticipate all financial activities including reporting and reimbursement requests to return to the Finance Department where they can be completed timely and accurately by Finance staff.

Finding Reference Number: 2018-002 Timely Filing and Accuracy of Federal Financial Reports

CFDA number: 20.507
CFDA Title: Federal Transit – Formula Grants (Urbanized Area Formula Program)
Name of Federal Agency: Department of Transportation - Federal Transportation Administration
Federal Award Identification Number: CA-2016-104-00, CA-90-Z172-00

- Name(s) of the contact person: *Stephanie Beauchaine, Interim Finance Director 6/30/2021*
- **Current Status:** Management are working on a master grants management plan which includes transit grant activities. We anticipate all financial activities including reporting and reimbursement requests to return to the Finance Department where they can be completed timely and accurately by Finance staff.