



Fiscal Year 2020 Audit Report

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GARCIA, YUNG & CARTER, AUDITORS

Fiscal Year 2018 Audit Report		City of Floma
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Executive Summary

partments and agencies of the City of Floma was completed for the fiscal year 2018. The public auditing team at Garcia, Yung & C public records, city databases, and in-person inter

Each city de evaluated in light of its activities. We attempt to provide clear and department managers and city council by providing recommendations only for those issues we have found to be the most pressing. For the Public Safety departments, the hiring of additional personnel is the most significant issue. The utilities department can reduce waste and enhance service by better managing the smart meter project. Waste management must begin planning for the time when the city's landfill will reach capacity. Parks and Recreation's risk management must be brought in alignment with severe weather expectations.

As a result of our audit, there are also some city-wide recommendations included; the most important of which is to improve the communication of existing policy.

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Introduction

This audit report was prepared to satisfy the City of Floma Charter's requirement to have an external, independent, and qualified auditor annually examine its operations. The stated goal of the audit is to provide the citizens of the city with assurance that the city's resources are being managed in accordance with local, state, and federal regulations.

The information presented in this audit report was compiled from data found in public records, transaction and management databases used by municipal software applications, and personal interviews of city employees. The data was reviewed for consistency and compliance with Generally Accepted Accounting Principles for state and local governments (Office, 2011). Analysis of the data was then conducted to determine where opportunities for improved efficiencies exist.

The result of the audit can be found below. It includes specific findings by city department, supporting tables, and general recommendations.

City Departments

Public Safety (Police and Fire)

The analysis of the personnel expenditures of both public safety agencies found that overall costs can be reduced by hiring additional police officers and firefighters. Calculations to support this conclusion can be found in Table 1 below. The current spending on overtime warrants the net addition of two police officers and one firefighter in fiscal year 2019.

The population growth of the city is noted, and as such, additional hires should be anticipated in each of the following two years. The hires required to maintain proper personnel levels in the police force and fire department will be financially covered by the expected increase in city tax revenue commensurate with the population growth.

Utilities

The acquisition of smart electricity meters has continued at a steady pace throughout 2018. We observed delays in the installation and proper configuration of the smart meters, which causes unnecessary inconvenience for citizens. The city personnel tasked with the implementation of the smart meters has not received sufficient training to complete the project within the allotted time frame.

The utility department should organize additional training sessions for the two supervisors so that they may in turn train their employees. This training is to focus on efficient installation of the meters and connection of the meters to the central utility computer system. Until such training is completed, it is not advisable to continue installation of the new meters to avoid disruptions and costly rework.

Waste Management

The Waste Management Department has not made any plans to address the city's landfill capacity. The landfill is expected to reach its designed capacity in Q2, 2020. Several alternative approaches to waste management are possible. In order to enact them in a manner that will not cause disruption or violation of EPA regulations, planning must commence in the next few months.

A significant opportunity for addressing the landfill capacity challenge can be found in the expansion of the recycling program. Recycling facilities for municipalities the size of the City of Floma can generally be managed in a cost-neutral manner; thus expansion will not require an increase in the department's budget.

Parks and Recreation

The Parks and Recreation (P&R) Department has finished fiscal year 2018 with a deficit, which is entirely attributable to the costs associated with the repairs of baseball and soccer fields after unusually heavy summer storms.

Future years are expected to continue to bring inclement weather at rates higher than those seen in the past. Therefore, the department's risk management strategy must be reviewed and updated to reflect updated forecasts of severe weather patterns.

Administration (Finance, Human Resources, Information Technology, and Mayor)

The various city departments responsible for administration were evaluated as a whole. This has highlighted the lack of smooth coordination between some departments. This breakdown is the result of employees having taken on tasks that are not directly related to their job duties. Employees who are performing such tasks may lack the necessary qualifications and often do not give priority to those tasks.

General Recommendations

While our audit has not revealed any indications of fraud or abuse, some instances of wasteful spending have been uncovered. This wasteful spending can be reduced by implementing a few low-impact changes. Those changes are detailed in the following paragraphs.

First, the orientation of new city employees and ongoing dissemination of policies that relate to spending should be improved to reduce instances of accidental waste.

Second, the appointment of a city manager position will allow for monitoring of the implementation of the recommendations provided for each agency. A city manager would also absorb duties currently carried out by personnel in administrative departments, which would allow them to focus on their core tasks.

Lastly, the experiences of the P&R Department should serve as a warning to other departments as well. As incidents of natural disasters increase, so will the funds needed to respond to them.

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Apply the table style Plain Table 3

Add a table caption with text Table 1: Overtime analysis

		FULL-TIME EMPLOYEE COUNT	AVERAGE HOURS WORKED PER WEEK	AVERAGE OVERTIME PER WEEK	RECOMMENDED NEW HIRES
FIRE DEPARTMENT	55	2,242	42	1	
POLICE DEPARTMENT	52	2,175	95	2	
TOTAL NEW HIRES:					3

Table 1: Overtime analysis

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Total New Hires:
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non-breaking hyphen

Columns resized

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Tables and table to
the bottom of the
document; insert a
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row 4: =SUM(ABOVE)

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Review the
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We are pleased to present you with the 2020 audit report for the City of Floma in accordance with your annual audit requirements

We owe thanks to the employees of the City of Floma, and especially those in the Comptroller's Office and the Mayor's Office, for their cooperation. The time they spent providing information and interviews is appreciated.

It is our sincere wish that the audit report will provide valuable guidance to the managers of the city departments, the city council and the mayor. It was our pleasure to conduct this audit and we look forward to future engagements with the City of Floma.

On behalf of the public auditing team at Garcia, Yung & Carter,

JoAnna Carter, CPA
Lead Auditor

Conduct a mail merge

Add two blank paragraphs. Type JoAnna Carter, CPA; Insert a line break and type Lead Auditor

Dear Mrs. Doyle,

We are pleased to present you with the 2020 audit report for the City of Floma in accordance with your annual audit requirements

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JoAnna Carter, CPA
Lead Auditor

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Dear Mr. Dawson,

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JoAnna Carter, CPA
Lead Auditor

Dear Mr. Mosley,

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Lead Auditor

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