



City of Goodyear

See meeting location
below

Meeting Minutes

City Council Subcommittee: Audit

Monday, December 7, 2020

5:00 PM

City Hall Conference Room 117
190 N. Litchfield Rd.
Goodyear, AZ 85338

CALL TO ORDER

ROLL CALL

Present: 3 - Lauritano, Pizzillo and Hampton

Staff Present: Deputy City Manager Dan Cotterman, Finance Director Doug, Sandstrom, Finance Manager Jared Askelson

CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None

OLD BUSINESS

None

NEW BUSINESS

1. Discussion of Fiscal Year 2020 Independent Audit

Financial Services Manager Jared Askelson introduced auditor Crimson Singleton, from HintonBurdick, PLLC to provide the FY20 draft of the City's Comprehensive Annual Financial Report (CAFR). HintonBurdick was retained to provide an independent audit of accounts and financial transactions of the City in accordance with Generally Accepted Accounting Principles (GAAP) of the Government Accounting Standards Board (GASB).

Singleton stated the audit was a clean opinion and there were no findings of material weaknesses or deficiencies.

2. Discussion of Fiscal Year 2020 Comprehensive Annual Financial Report (CAFR)

An Audit presentation was given to address Special Request Items included:

1. Review and sampling of overtime approval and leave; 18 employees were used in the employee sampling which included in depth review of timecards, proper approval and approving signatures, a recalculation of overtime and a review of I-9's.
2. P-cards and cash handling procedures included a review of procedure changes, an audit

of August and February P-card statements including back up, proper invoicing and approvals, and review of transactions.

Financial Services Manager Askelson discussed a future process modification using the new software system to require a 2-person approval process, which includes the cardholder plus either the supervisor or the admin assigned to the cardholder. Askelson discussed the ease of reporting and that currently the financial services department is conducting an individual statement review.

3. Internal controls identified that bank reconciliation timing needs to be completed monthly and it was noted that this fell behind at the end of the year.

Councilmember Pizillo discussed the importance of staying timely as the city writes large checks. He expressed that typically we have been beyond timely but there is concern that being untimely could allow for creative ways of abusing the system.

4. Review of IT software and security controls showed that WFH VPN access is secure and require dual security authorization. Phones were not looked at in this audit however, IT has a system in place for monitoring network access and software along with data backups offsite.

Singleton gave an overview of FY2020 stating there was a large increase in fund balances due to a combination of funds on hand(debt), construction -related activities and commitment levels of fund balances. Overall, the city's net position remains positive.

Councilmember Lauritano asked if we are seeing an increase in inventory.

Askelson stated that we are not.

Councilmember Pizillo asked about the general fund growth in FY2020.

Askelson stated that unassigned funds grew by \$18 million. And that is the number that is above and beyond what was anticipated in the FY2021 budget.

INFORMATION ITEMS

None

ADJOURNMENT

There being no further business to discuss, Finance Manager Jared Askelson adjourned the meeting at 5:35 p.m.

Respectfully Submitted by:

Amie Gressett, Management Assistant

Doug Sandstrom, Finance Director

Date: _____