

RESOLUTION OF THE CITY COUNCIL

No. 591

Approved September 15, 2000

WHEREAS, it is extremely important that all City departments perform basic monthly analysis of their accounts to help ensure that all activities are fairly and accurately presented in the City's books. While the Finance Department generally does a good deal of analysis on the activities of the general fund, KPMG LLP has found that the rest of the City departments as a whole, do not do any structured analysis of their activities throughout the fiscal year. Compilation of data, basic account reconciliations, income and expense analysis and adjustment of errors is typically not done until and unless it is needed for the year end audit. Monthly analysis of activities is particularly critical for special revenue and school funds where federal and state funds are involved, and

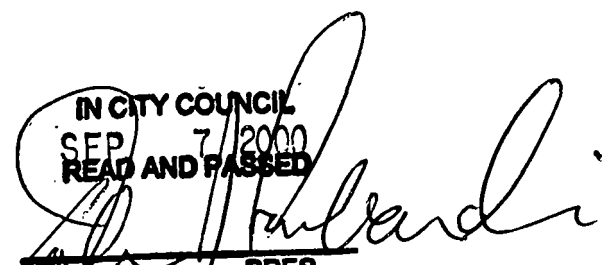
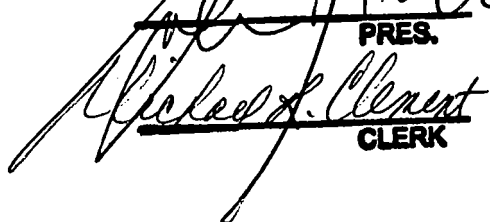
WHEREAS, the City continues to have difficulty producing financial reporting information on a timely basis. Other larger and more complex cities can close their books and issue financial statements within six months after year end and, by the year 2000, the City will be required to finalize and issue its financial statements within nine months after year end, and

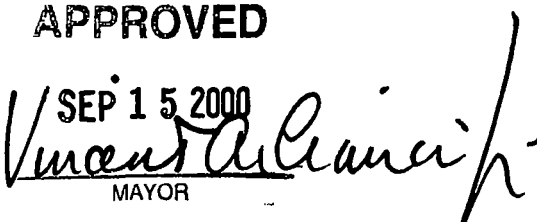
WHEREAS, producing timely financial statements are important for budgeting and other purposes, yet reporting for the entire City is being held up by all departments. Sufficient attention is not being paid to staffing, automation and other issues in these departments. City officials must take prompt constructive actions to correct these deficiencies, and

WHEREAS, the fact that these basic accounting controls are not performed over a segment of the City's finances on a more timely basis should not be acceptable to the City Council or to City Hall management, and

WHEREAS, the city needs to take immediate and effective action to get all departments throughout the City on a fixed and firm schedule for monthly analysis of activities as well as monthly and annual financial reporting. Without a structured plan, the City will continue to receive inaccurate and stale financial information that will expose the City to the risk that assets may be misappropriated and not be detected in a timely fashion.

NOW, THEREFORE, BE IT RESOLVED, that all departments must do structured analysis of their activities throughout the fiscal year.

IN CITY COUNCIL
SEP 7 2000
READ AND PASSED

PRES.

CLERK

APPROVED
SEP 15 2000

MAYOR

IN CITY COUNCIL

READ AND PASSED

BY

CITY

IN CITY COUNCIL
JUL 1 1999
FIRST READING -
REFERRED TO COMMITTEE ON
FINANCE

John M. Lombardi

THE COMMITTEE ON

Finance
Recommends

Anna M. Stetson

8-21-00

CLERK

approve, as amended

Council President Lombardi (By Request)

RESOLUTION OF THE CITY COUNCIL

No. 592

Approved

September 15, 2000

WHEREAS, The City has no effective system in place to identify transactions that the City has entered into with related parties (e.g., department head, councilors, vendors, with financial or other ties with department head or councilors, etc). All such transactions should be reviewed at a high enough level to help ensure that they are at "arms length." Without such a system, the City risks unknowingly entering into transactions that are not in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED, That KPMG, LLP recommends the City develop and implement a system for reviewing any transaction the City enters into for potential related party and conflict of interest issues.

NOW, THEREFORE, BE IT FURTHER RESOLVED, That the comments of the 1998 Management Letter that have been resolved are hereby rescinded and the 1999 Management Letter shall be effective upon passage of said resolution for departments to address.

IN CITY COUNCIL
SEP 7 2000
READ AND PASSED
PRES.
CLERK

APPROVED
SEP 15 2000
MAYOR

IN CITY COUNCIL
July 1, 1999
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

THE COMMITTEE ON
Finance
Recommends *Approve, As Amended*
James M. Stetson
8-21-00

RESOLUTION OF THE CITY COUNCIL

No. 593

Approved September 15, 2000

RESOLVED, that several cash accounts are maintained by individual schools within the City without the knowledge or permission of the School or City Finance departments, all cash within the City is the responsibility of the Treasurer and any accounts not established by the Treasurer should be closed immediately.

NOW, THEREFORE, BE IT RESOLVED, That the comments of the 1998 Management Letter that have been resolved are hereby rescinded and the 1999 Management Letter shall be effective upon passage of said resolution for departments to address.

IN CITY COUNCIL
SEP 7 2000
READ AND PASSED

PRES.

CLERK

APPROVED

SEP 15 2000

MAYOR

JUN
IN CITY COUNCIL
JUL 1 1999
FIRST READING -
REFERRED TO COMMITTEE ON
FINANCE

Juan M. Angelone

THE COMMITTEE ON

Finance

Recommends

Approve, As Amended
Chas M. Helson

8-21-00

Council President Lombardi (By Request)