

**POST AUDIT REVIEW
OF FINANCE, CASH, BANKING, AND
INVESTMENTS**

PAR20-01



WEST PALM BEACH

Internal Audit

**City of West Palm Beach
Internal Auditor's Office**

**Beverly Mahaso Esq., CIA, CFE
Chief Internal Auditor
February 6, 2020**

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Audit Committee
City of West Palm Beach
401 Clematis Street
West Palm Beach, Florida

**RE: POST AUDIT REVIEW OF FINANCE, CASH, BANKING, AND INVESTMENTS,
AUD15-09**

Dear Audit Committee Members:

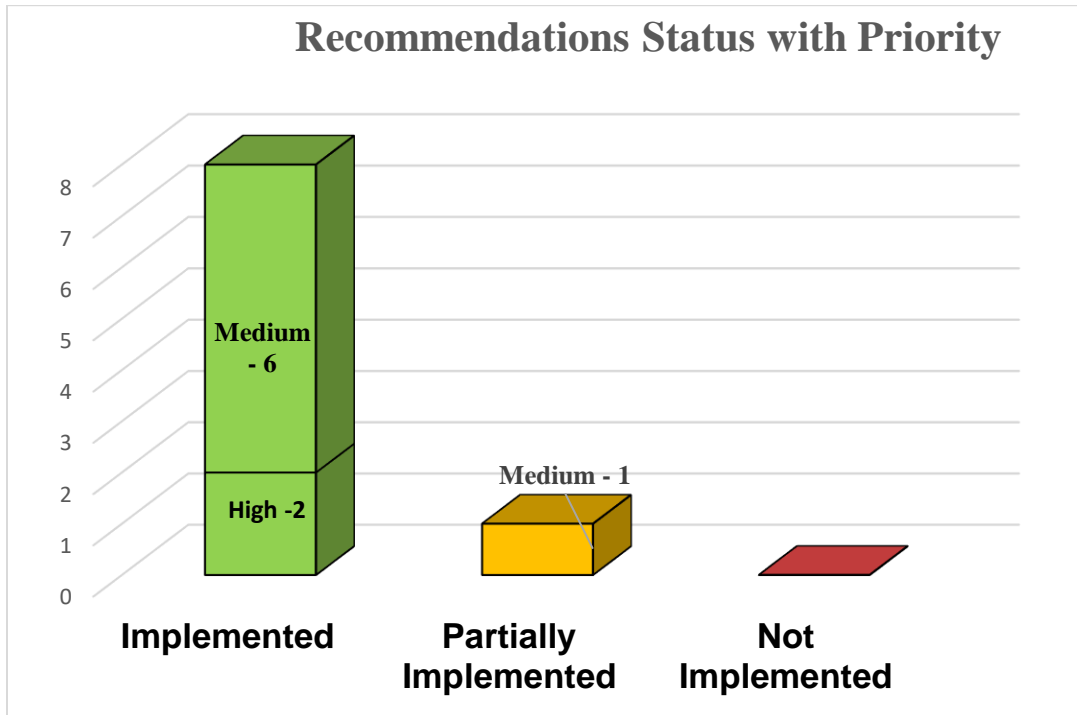
In FY 2016, the Internal Auditor's Office released an audit of Finance, Cash, Banking and Investments. We performed certain procedures, as enumerated below, with respect to activities of the Finance Department in order to render a conclusion on the status of the recommendations made as a result of that review.

This Post Audit Review (PAR) consisted primarily of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards.

The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

The audit contained nine (9) recommendations that addressed the audit's findings. Based on the post audit review performed, we concluded that recommendations 1, 2, 3, 4, 6, 7, 8 and 9 were implemented, and recommendation 5 was partially implemented.

We have enclosed a table listing all the recommendations with the current statuses. We found that management made significant efforts to take corrective action. Further, we note that the Finance Department is actively continuing to make improvements. As such, additional steps may have been taken to implement the recommendations after the conclusion of this Post Audit Review. We will conduct another Post Audit Review in approximately 6 to 12 months, resources permitting, at which time we will review all additional changes made after the conclusion of this Post Audit Review.



We thank the personnel at the Department of Finance for their assistance in conducting this review.

Respectfully Submitted,

s/ Beverly Mahaso
 Chief Internal Auditor

cc:

Christina Lambert, Commission President
 Kelly Shoaf, Commissioner
 Cory Neering, Commissioner
 Richard Ryles, Commissioner
 Joseph Peduzzi, Commissioner

Keith James, Mayor
 Faye Johnson, City Administrator
 Mark Parks, Chief Financial Officer
 Dathan Griffiths, Treasury Manager

Post Audit Review of Finance, Cash, Banking, and Investments

Legend
■ Implemented
■ Partially Implemented
■ Not Implemented

AUDIT RECOMMENDATIONS

No.	AUDITOR'S RECOMMENDATION	MANAGEMENT'S RESPONSE	MANAGEMENT'S STATUS UPDATE
1	Closed.	N/A	Management Update Implemented: January 2017
2	Closed.	N/A	Management Update Implemented: January 2017
3	Closed.	N/A	Management Update Implemented: January 2017
4	Closed.	N/A	Management Update Implemented: January 2017
5	The Chief Financial Officer should begin providing the Investment Committee and the Commission with quarterly reports. In addition, a comprehensive annual investment report should also be provided to the Commission.	Management agrees that the Investment Committee did not fulfill the requirement to provide quarterly investment performance reports to the City Commission. A reporting mechanism will be implemented to ensure the Commissioners are informed of investment performance.	Management Update January 2017 Partially Implemented: Quarterly reports are being provided to the Investment Committee. Reports to the Commission will be provided beginning in Fiscal 2017. Management Update August 2018

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- Legend**
- Implemented
 - Partially Implemented
 - Not Implemented

			<p>Partially Implemented: Quarterly reports are being provided to City Administration. Finance is taking appropriate actions to ensure past reports, as well as future reports, are provided to the City Commission on an on-going basis.</p> <p>Management Update January 2020</p> <p>Partially Implemented: Quarterly reports are still being provided to the Commission however, the annual report has not yet been provided. Finance is currently working with Clearwater Analytics to provide a comprehensive Annual Report.</p> <p>Target Implementation Date – December 2020</p>
6	Closed.	N/A	<p>Management Update Implemented: January 2017</p>

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Legend
■ Implemented
■ Partially Implemented
■ Not Implemented

7	Closed.	N/A	<p>Management Update Implemented: January 2017</p>
8	<p>The Chief Financial Officer should begin requesting members' CPE certificates of completion by January 15th of each year. The education should focus primarily on investment related topics.</p>	<p>Management agrees to request the Investment Committee members' certificates of completion by January 15th of each year.</p>	<p>Management Update January 2017</p> <p>Partially Implemented: The Chief Financial Officer will ask for certificates of completion on January 15th. The Chief Financial Officer has actively recommended training sessions for Committee members to attend and has attended sessions with the Committee members.</p> <p>Management Update: August 2018</p> <p>Partially Implemented: Finance is working with IT to establish a folder within the "U" drive so that the members of the Investment Committee can upload their certificates of CPE completion directly. This process is still being implemented.</p>

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- Legend**
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			<p>Management Update: January 2020</p> <p>Implemented: The folder was created by IT within the U drive for the committee members to add their CPE documents. All current members of the Investment Committee provided proof of CPE credits.</p> <p>Auditor's Comment: There are vacancies on the Investment Committee, thus, in the next follow up we will revisit this recommendation as related to any new members.</p>
9	Closed.	N/A	<p>Management Update Implemented: January 2017</p>