

IMPACT STATEMENT

Legislation title: Results of Financial Audit of the City Comprehensive Annual Financial Report for FY 2016-17 and related communications (Report)

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Presenter names: Mary Hull Caballero, City Auditor, Fiona Howell Earle, Principal Management Auditor/Contract Manager, Audit Services Division, & James Lanzarotta, Partner, Moss Adams LLP

Purpose of proposed legislation and background information:

No legislation is being proposed. No Council action is requested. This is a report to Council about the results of the independent financial audit conducted by Moss Adams of the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017.

Portland is required by state law and by the federal Single Audit Act to have an annual audit of its financial statements and compliance with the terms of the federal awards to the City and to Prosper Portland. Management prepares the financial statements and an outside CPA firm audits them. By Charter, the City Auditor oversees the selection of the outside accountants, and manages the audit contract. Council approved the current audit contract on May 10, 2017.

Financial and budgetary impacts:

The acceptance of the report on the annual financial audit does not have any financial or budgetary impact.

The cost of the financial audit being reported was given to Council in the Financial Impact Statement for Ordinance No. 188367 on May 10, 2017 to approve Contract No. 30005874 with Moss Adams, to conduct the financial and federal compliance audits relating to FY 2016-17 through FY 2019-20. The cost of the City's financial audit is covered by the Office of the City Auditor's current budget.

Community impacts and community involvement:

- Reporting the outcome of the impartial annual audit of the City's financial statements to City Council and the public will benefit residents of Portland by improving City accountability.
- Direct public involvement in the financial audit would not be appropriate. The conduct, scope and reporting of the annual financial audit is driven by the requirements of City Charter, state and federal law. It is a legal requirement that these audits be conducted independently and in accordance with generally accepted government auditing standards.

This report to City Council represents public involvement in the form of information at a public meeting. Additional public information has been provided by the publication of the

audited FY 2016-17 City CAFR and the Single Audit on the Bureau of Revenue and Financial Services' website.

100% Renewable Goal:

Not applicable.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount