

**CITY COUNCIL COMMUNICATION 98-016
JANUARY 19, 1998 AGENDA**

SUBJECT:

UPDATE OF 1996 MANAGEMENT LETTER

SUBMITTED BY:

**KEVIN RIPER
FINANCE DIRECTOR**

SYNOPSIS –

Staff has prepared a status report for each of the observations made by the City' s external financial auditor in the 1996 management letter from a year ago.

FISCAL IMPACT –

N/A

RECOMMENDATION –

To receive and file the update of the 1996 management letter.

BACKGROUND –

For the City' s fiscal year ended June 30, 1996, its external financial auditor, KPMG Peat Marwick, prepared a management letter in conjunction with the financial audit for that year. KPMG Peat Marwick' s management letter contained numerous observations and recommendations, plus a City management response to each. The 1996 management letter was presented to Council on May 5, 1997. Attached is a reprint of that original 1996 management letter, with a January, 1998 update inserted at the end of each item. Many of the current updates make specific reference to the ongoing search for a new financial/accounting software package, which is expected to provide solutions to numerous issues raised by the auditors in the 1996 management letter.

Attachment