



**City of Sparks Comprehensive Annual Financial Report  
Corrective Action Plan for Audit Findings  
June 30, 2017**

**Financial Statement Findings**

**2017-A      Financial Statement Preparation and Application of Generally Accepted Accounting Principles**

Finding Summary:                      Eide Bailly LLP partially prepared our draft financial statements and accompanying notes to the financial statements. They also proposed material adjustments that were not identified and could have resulted in a misstatement of our financial statements.

Responsible Person:                      Jeff Cronk, CPA, Financial Services Director

Corrective Action Planned:              City staff have the ability to prepare full disclosure financial statements, but lack the number of staff to implement this change. Partial preparation of financial statements has been outsourced for purposes of cost savings. City staff are currently researching ways to automate this process so that full financial preparation can be streamlined in the future. In the meantime, we have designated members of management to review the drafted financial statements and accompanying notes, and we have reviewed and agree with the adjustments proposed by our auditors.

Does the City Agree  
with the finding:                       Yes                       No                       Partially

If No or Partial, please  
explain the reason(s) why:              N/A

Anticipated completion date: 06/30/2019



**2017-B Computer Controls for Secondary Review of Journal Entries and Data Input**

Finding Summary: Senior staff in the finance department enter journal entries and budget adjustments that are not directly reviewed by other staff members prior to entry.

Responsible Person: Jeff Cronk, CPA, Financial Services Director

Corrective Action Planned: N/A

Does the City Agree with the finding:  Yes  No  Partially

If No or Partial, please explain the reason(s) why: City management believes current staffing levels are insufficient to implement secondary review of all journal and budget entries posted by senior Financial Services Department personnel. Alternatively, other procedures are utilized to ensure accounting and budgeting accuracy such as general ledger account reviews and various reconciliations performed by separate accounting and budget personnel which would make secondary approval of journal and budget entries initiated by senior personnel inefficient and unnecessary.

Anticipated completion date: N/A



**Federal Award Findings**

**2017-001 U.S. Department of Housing and Urban Development  
Community Development Block Grant – Entitlement Grants Cluster  
Community Development Block Grants/Entitlement Grants, CFDA 14.218**

Finding Summary: Certified payroll reports from contractors performing work on grant projects were received by the City monthly rather than weekly as required by 2 CFR Part 200.

Responsible Person: Jeff Cronk, CPA, Financial Services Director

Corrective Action Planned: Management will continue to work with contractors to ensure they understand the need for weekly rather than monthly reports.

Does the City Agree with the finding:  Yes  No  Partially

If No or Partial, please explain the reason(s) why: N/A

Anticipated completion date: 06/30/2017