



City of Columbia, Missouri



Finance and Utilities Performance Audit
August 2020

DRAFT



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

October XX, 2020

Mr. John Glascock, City Manager
City of Columbia
701 East Broadway
Columbia, Missouri 65205

Re: Finance and Utilities Performance Audit

Dear John:

We have completed our performance audit of the Finance department and Utilities department at the City of Columbia ("City"). Our services were performed in accordance with the Consulting Standards for the Professional Practice of Internal Auditing, as promulgated by the American Institute of Certified Public Accountants (AICPA).

The accompanying report includes an Executive Summary, Observations and Recommendations, Process Improvement Opportunities, and two Appendices. Because the procedures performed in conjunction with the performance audit are more limited than would be necessary to provide an opinion on the system of internal controls taken as a whole, such an opinion is not expressed. In addition, the engagement did not include a detailed audit of transactions that would be required to discover fraud, defalcations or other irregularities.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than the specified parties. The City of Columbia's external auditors may be provided with a copy of this report in connection with fulfilling their responsibilities. In addition, we understand that the City may be required to make our report, once finalized, available under sunshine laws.

We would like to express our gratitude to all employees involved with this project. Each person involved was accessible and responsive to our requests for information.

Sincerely,

RUBINBROWN LLP

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Executive Summary


Project Overview and Scope

The objectives of the Finance and Utilities performance audit were to:

1. Independently examine the management systems and procedures in place for the Finance and Utilities departments and determine if they are operating effectively; and
2. Evaluate business processes within Finance and Utilities for efficiencies and applicability of best practices.

Our performance audit primarily included activity from January 1, 2019 through June 30, 2020. However, in certain instances we analyzed activity as far back as 2015 to gain an understanding of key processes. In order to achieve the objectives above, we performed the following activities:

- Performed interviews with personnel in the Finance and Utilities departments who are responsible for financial reporting, budgeting, capital project management, and operations and maintenance activities. The objectives of the interviews were to gain an understanding of and document the processes. This information was used to create a narrative of these current Finance and Utilities management processes:
 - Daily cash reconciliation
 - Utility level
 - Roll-up to process to Finance
 - Tracking of pooled cash as part of the reconciliation
 - Month/quarter/year end accounting close activities, including financial reporting to Executive Management and the City Council
 - Allocation of revenue and expense to related operating units
 - Annual department budget process
 - Periodic budget-to-actual reporting
 - Purchasing and contract management
 - Operation and maintenance project management
 - Capital project management to include:
 - Construction-in-Process accounting
 - Project closing process
 - Selection of three major construction projects to review end-to-end process & project accounting
 - Utility rate structure and cost of service process
 - Utility cash reserve policy and calculation of the debt service ratio with respect to PILOT
- We performed the following limited testing to verify the documented processes were operating as intended:

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- We traced a sample of utility payment revenue batches from the utility billing software to the bank and general ledger to ensure revenue was recorded and reconciled properly;
 - For a sample of three major construction projects, we reviewed the project documentation to ensure proper support was maintained in areas related to the authorization of the project, project cost reporting, approval of disbursements, and reporting of transfers to City Council;
 - We evaluated the population of disbursements to a selected vendor to ensure they were properly approved and in-line with the contract agreed upon with the City;
 - We performed a walkthrough of a selected departmental budget with the Budget Officer to identify areas for improvement in the annual budgeting process; and
 - We evaluated a listing of general ledger journal entries made in a selected month to gain an understanding of the timing of entries and identify areas for improvement in the month-end financial close process.

Background

The City of Columbia, Missouri has a council/manager form of government. The mayor and six council members are elected by the citizens of Columbia and serve for three years with staggered terms of service. The City Manager reports to the City Council and is considered the chief administrator. Department heads for all municipal functions report to the City Manager. In 2019, there were approximately 1,508 full-time equivalent employees serving a population of approximately 123,000. The City operates on a September 30 fiscal year end.


The Finance Department is responsible for the administration, direction, and coordination of all financial services of the City involving financial planning, budgeting, treasury management, pooled cash investments, purchasing, accounting, payroll, business licensing, risk management, and administering Police and Fire pension funds.

The City of Columbia owns and operates the Water, Electric, Sewer, Solid Waste, and Storm Water utilities. Each of these utilities are classified as Enterprise Fund operations which means they are to be self-supporting activities which render services to the general public on a user-charged basis.

Best Practices

Based on discussions with management personnel, the following processes are in place at the City and represent best practices:


- Finance management has begun to implement improved reporting to City Council in recent months. Examples include the quarterly snapshot report (soon to be monthly), and uses of pooled cash.

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- In an effort to improve transparency, Utilities management now calculates its debt coverage ratio both before and after PILOT payments in periodic reporting and budgetary documents.
 - The City has several cash receipt controls in place at the City Hall cashiers desks, including independent cash counts, unique log-ins, security cameras, and independent reconciliations.
 - The Purchasing division within the Finance department has a recently updated purchasing policy and procedure manual. The Purchasing division assigns buyers based on the type of goods or services purchased, thereby maximizing efficiencies.
 - The Engineering Supervisor of Sewer and Storm Water has a documented capital project management checklist and templates to streamline the project management process.
 - Each Senior Accountant maintains a month end close journal entry checklist to help ensure that recurring journal entries in the funds they are assigned to are made as required.

Observations and Recommendations

The following three topics were indicated as potentially high risk by City Council members and Executive Management during our audit. Included below is a summary of our observations for these areas. Detailed observations and recommendations are included in the table following the Executive Summary.

- **Pooled Cash:** We found the Finance department was able to articulate the structure of the pooled cash balances. Finance is currently working on a detailed description of the pooled cash account so that it can more accurately report to Council on the uses of pooled cash. Cash reconciliations and day-to-day management of pooled cash balances are occurring, but may be inefficient due to the complexities in the account structures. See our observation related to pooled cash below.
- **Budgeting:** We recommended improvements related to the use of encumbrances in the annual budgeting process. The City hired a new Budgeting Officer in 2020. The Budget Officer and Finance leadership are working on additional improvements to the budgeting process that will take place over the next 2-3 fiscal years. See our observation related to budgeting below.
- **Water and Electric Fund Accounting:** Water and Electric are legally one fund by charter, but are managed separately in practice within the City. Revenue and expenditures for each are tracked separately. Transfers between funds are rare, but may occur. For example, if a capital project was for the benefit of both water and electric, costs may be spread between the two funds. Transfers between funds are approved at the City Council level. Monthly financial reports to the Water and Light Advisory Board are presented both as water and electric separately and combined. We did not note instances in which Water or Electric transactions were incorrectly recorded in the general ledger during the audit.



Observations from our performance audit are noted below:

- Finance management recently began presenting summary financial information to City Council on a quarterly basis; we recommend to present this information monthly.
- The City's Code of Ordinances are overly detailed.
- The Utilities department does not have a capital projects procedures manual.
- The cash reconciliation process is manual and time consuming.
- Daily management of pooled cash balances is difficult due to timing differences of AP and payroll payments.
- The Finance department does not close the books in MUNIS for each of the first five months of the fiscal year until after the annual audit is complete in February.
- There is a lack of critical review of encumbrances in the budgeting process.
- The City's internal auditor position has remained vacant since June 2019.
- The Senior Accountants do not meet regularly with Project Managers or Analysts from other departments to discuss the status of capital projects.
- The Finance department does not have adequate internal controls in place to evaluate the contractor in charge of administering the voucher program for refuge and recycle bags.

All observations, recommendations, and process improvement opportunities noted during our performance audit are further detailed below. Additionally, these items have been communicated to management.

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
1	Management of the Finance department is responsible for keeping the Council informed of the City's finances and responding to council inquiries.	Observation: At the beginning of 2020, Finance management began presenting a quarterly financial snapshot report which includes qualitative information like the status of Finance department initiatives and quantitative information such as revenue and expense budget-to-actual comparisons. Risk: Without timely financial reporting, Council will not stay adequately informed.	Present the Financial Snapshot report on a monthly basis.	
2	The City of Columbia's departmental policies are largely written into the Code of Ordinances, which is available online to the general public and is over 1,800 pages in length when printed.	Observation: The City's Code of Ordinances is overly detailed. For example, utilities design and installation procedures are more commonly found in departmental policies/procedures rather than a city ordinance (Chapter 27). Risk: Overly detailed ordinances do not easily allow management the flexibility necessary to adapt to changing environments.	Draft departmental policies and procedures into department-level manuals. Over the next one to three years, as departments complete documenting their internal policies and procedures, revise the Code of Ordinances so that the detailed procedures are no longer included.	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
3	Capital projects occur in each of Columbia's five utilities: water, electric, solid waste, sewer, and storm water. Engineers are assigned to be the Project Manager of these capital projects. Capital projects have varying requirements based on the type of work performed, dollar amount of the project, use of contractors, and other factors.	<p>Observation: The Utilities department does not have a capital project procedure manual. Sewer & storm water have a capital project checklist and some templates; but all five utilities do not have procedures to guide Project Managers through the entirety of the capital projects process.</p> <p>Risk: Lack of compliance with City requirements if steps are missed; job knowledge loss if an employee leaves the City.</p>	Create a capital project procedure manual that includes each of the five utilities.	
4	Accounts receivable batches are posted in MUNIS by the Treasury division. Two Accountants are responsible for reconciling cash on a daily basis and investigating variances as they occur. The cash reconciliation files are reviewed monthly by the Assistant Controller and Controller.	<p>Observation: The cash reconciliation process is a time consuming manual process. Automated reconciliation solutions are difficult to implement in part because the City uses multiple bank accounts that feed into one GL cash account.</p> <p>Additionally, delays have occurred in the past because the Accountants cannot see batches until they are posted by Treasury.</p> <p>Risk: Cash not being reconciled timely or accurately.</p>	<p>Structure the GL cash accounts to more closely mirror the City's bank account structure in an effort to make the cash reconciliation process more straight forward.</p> <p>Create a departmental policy where accounts receivable batches are posted in MUNIS by a certain time each week. At that time, Treasury should also communicate to the Cash Accountants about any unusual batches or variances noted.</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
5	The Treasurer, with oversight from the Assistant Finance Director, is responsible for monitoring the City's cash flow amongst its pooled cash accounts. The Treasurer initiates transfers of funds (i.e. from the operating bank account to the payroll bank account) to meet the City's financial obligations.	<p>Observation: Because of timing differences for payroll and accounts payable (AP) payments, daily cash management is difficult.</p> <p>Risk: AP or payroll payments are interrupted due to the challenges of managing cash balances.</p>	<p>Create a mechanism that allows the Treasurer to monitor cash balances on a daily basis.</p> <p>Analyze miscellaneous cash receipts to understand whether these items can be invoiced, thereby creating a more predictable revenue stream and increasing the accuracy of cash forecasts.</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
6	<p>Once the monthly reconciliations are complete and all necessary journal entries are booked, the Finance department closes the monthly financials in the MUNIS General Ledger (GL).</p> <p>The average closing date is approximately 3 weeks from month end for the months of March through August.</p>	<p>Observation: For the first five months of the fiscal year (October-February), the Finance department waits until after the annual audit is complete in February to close the first five months in MUNIS. The monthly financials contain estimates until the closing journal entries are made.</p> <p>Beginning in February, Finance makes the remaining journal entries and closes each of the first five months on an approximately weekly basis until they are caught up.</p> <p>Risk: Overreliance on estimated financials; improper entries if months are left open for too long.</p>	<p>Work with MUNIS to understand whether the Finance department can close the first few months of the new fiscal year before the prior year audit adjustments are complete.</p> <p>Even if the months must be closed in MUNIS sequentially, establish a soft close schedule whereby the reconciliations and journal entries are recorded within 3 weeks of the end of the month.</p> <p>Over the next three years, create goals for Finance staff to gradually reduce the number of days it takes to close a month.</p> <p>See appendix 2 for an analysis of monthly journal entries for a selected month.</p>	

City of Columbia, Missouri
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Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
7	<p>Encumbrances are defined in the City's budget document as "Commitment for unperformed contracts for goods or services. Any amount of money committed and set aside, but not yet expended, for the purpose of a specific good or service".</p> <p>Each year purchase orders are reviewed to determine if they should be closed, or included in the next fiscal year's operating budget. If a partial or total amount of the PO is determined to be necessary for the next fiscal year, it is added to the budget as an encumbrance.</p> <p>These encumbrances are added on to the budget near the end of the annual budget process. They are not included in the Council's original budget approval process.</p>	<p>Observation: There is a lack of critical review of encumbrances in the budgeting process. In one department budget we analyzed, encumbrances represented 5-7% of the total budget amount.</p> <p>Risk: Encumbrances may be utilized as a mechanism to incrementally increase the budget year-over-year if encumbrances are not reviewed for validity.</p>	<p>Include a review of encumbrances as part of the annual budget process. The Budget Office should conduct the first level of review as part of their overall budget review. City Council should review and approve prior year encumbrances that are added near the end of the annual budgeting process</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
8	<p>The City Manager's Office annual budget includes one full-time internal auditor position.</p> <p>Internal audit offices function as a key control to monitor compliance with laws and regulations, and to ensure processes are operating efficiently. Internal audit can also act as preventive control as it may deter fraud.</p>	<p>Observation: The internal auditor position at the City of Columbia has remained vacant since June 2019.</p> <p>Risk: Lack of compliance with laws and regulations. Control gap related to fraud deterrence.</p>	<p>Maintain a consistent internal audit function. Hire internally or outsource the function, or use a combination of the methods to ensure audits are performed on a regular basis and provide value added observations and recommendations.</p> <p>See appendix 1 for a sample internal audit plan.</p>	
9	<p>The Finance department is responsible for opening and closing capital projects and recording when capital assets are placed in service or removed for all departments in the City, including Utilities. Project Engineers in Utilities provide written project updates in DOT Project. The Finance department has access to these project updates.</p>	<p>Observation: The Senior Accountants do not have regular meetings with Analysts or Project Managers/Engineers in other departments to discuss capital project status.</p> <p>Risk: This impacts the length of time projects are open and also could affect whether an asset is placed in service in the correct accounting period.</p>	<p>Ensure there is direct communication between Finance and Utilities personnel. Institute a regular meeting between the Senior Project Accountant and Project Managers for large capital projects. Introduce a similar approach for other departments, such as Parks & Recreation, with capital projects.</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Observations and Recommendations



#	Process/Procedure	Observation and Risk	Recommendation	Management Response
10	<p>The City has contracted with WasteZero Inc., a contractor from North Carolina, to administer its voucher program for refuse and recycling bags to residents for the past 12 years.</p> <p>WasteZero's contracted process is to forward revenue from bags paid for over-the-counter at local stores, along with financial reporting, to the City. This process is required to occur monthly.</p>	<p>Observation: WasteZero does not appear to be following its contracted process related to payments and reporting. The City does not have adequate internal controls in place to oversee the performance of WasteZero. For fiscal year 2020, the Finance department was only able to locate two incoming payments and one monthly report from WasteZero.</p> <p>Risk: The contractor has control of the recordkeeping of the vouchers and authorization of payment to the City. Without continuous oversight by City personnel, there is a risk for misappropriation of cash.</p>	<p>Reconcile the last 12 months of revenue from and payments to WasteZero. Determine whether the Contractor performed its obligations. Assign a responsible person at the City to monitor reporting and incoming payments each month to make sure they are in compliance, appear reasonable, and are recorded correctly in the general ledger.</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Process Improvement Opportunities



We noted the following process improvement opportunities during our performance audit. While these observations do not constitute internal control weaknesses, they could help strengthen the overall internal control environment or improve the efficiency of a business process. We recommend management consider each observation and take action where appropriate.

#	Observation	Process Improvement	Management Response
1	In 2018, the City discovered two funds designated as restricted cash totaling approximately \$2 million and \$2.9 million, respectively. After an internal investigation, management from Finance and Utilities determined the funds should have been moved to unrestricted cash, but the movement had not taken place due to employee turnover. Management did not disclose the movement of money from restricted cash to unrestricted cash on a timely basis because it did not meet the requirement for disclosure of transfers (Article V, Section 44) since the funds were not appropriated.	<p>Although management did not appear to be obligated by City Charter to disclose the movement of money from restricted cash to unrestricted cash, given the high dollar amount and uniqueness of the circumstances, management should have proactively informed City Council of the situation at the time the movement of funds occurred.</p> <p>Finance management has already implemented improved reporting to City Council about the intended uses of the pooled cash balances. Continue providing an analysis of pooled cash to City Council on a periodic basis.</p>	
2	Time sheets for hourly employees are still paper-based. Additionally, some internal labor is not charged to projects in the Utilities department.	Implement an electronic timekeeping system for all City employees. As part of the implementation, explore the ability to implement project codes that employees can use as they record their time electronically, so that labor hours can be charged to projects.	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Process Improvement Opportunities



#	Observation	Process Improvement	Management Response
3	The Utilities department performs maintenance of its existing infrastructure throughout the year. The Utilities departments also perform capital improvement projects, which must adhere to a “public improvement” process. Public improvements require additional procedures such as a public input process and Council approval, which can lead to delays in projects. Some improvements may be minor (i.e. replacing a broken sewer pipe with a slightly larger pipe), but the public improvement ordinances do not allow for minor improvements to be considered maintenance.	<p>Consider adding a de minimis threshold for public improvements whereby the public improvement threshold does not need to be followed. This will allow the Utilities department to be able to implement minor improvements where deemed necessary, while still being held accountable to normal budgetary conditions.</p> <p>Additionally, create guidelines to assist with Utilities' determination of what is maintenance versus what is a public improvement. The guidelines should make the determination more clear and require input from legal less frequently.</p>	
4	The City may need to replace aging infrastructure over the next five to 15 years. Although the reasons for this may be clear to internal City personnel, the City Council may not fully understand the need for the multiple capital projects performed by the City.	<p>Provide a workshop to City Council members that explains, from a strategic level, the reasons for the construction projects planned over the next fifteen years. Include in the presentation the milestones and metrics that project managers use to ensure projects are accomplished on time and on budget.</p> <p>For the next two years provide a quarterly strategic update on Capital projects.</p>	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Process Improvement Opportunities



#	Observation	Process Improvement	Management Response
5	The purchasing division of the Finance department has a policy and procedure manual that was recently updated. The manual contains important information, but it is difficult to navigate because of its length (119 pages) and does not include a table of contents or index.	Create a quick reference guide that is one or two pages and contains the most commonly referenced purchasing policies at the City. Print, laminate, and distribute the guide to buyers and staff who requisition goods and services throughout the City. Also, add a table of contents and/or index to the purchasing policy and procedure manual. Ensure the guide and manual are updated at least annually.	
6	Accountants in the Finance department manually export payment batches from the utility billing system (CIS Infinity) and manually import them to the general ledger (MUNIS). MUNIS has an automated solution that has not been implemented at the City, so the process happens manually. This process previously took place daily, but now occurs weekly due to adjustments in staffing levels.	Contact MUNIS support to understand whether the export from CIS and import into MUNIS can be done automatically. Once implemented, ensure payment batches are posted to the general ledger daily.	

City of Columbia, Missouri
Finance and Utilities Performance Audit
Appendix 1 – Sample Internal Audit Plan



The following tables show a sample internal audit plan that could be implemented by the City. We considered information obtained during our interviews and the City's existing internal audit plan when creating this sample plan. Before implementing an internal audit plan, we recommend performing a more comprehensive risk assessment that includes interviews of department heads throughout the City. Adjust the audit plan periodically as the City's risks and responsibilities evolve.

Year One

FY	#	Internal Audit Name	Comments
2021	1	Accounts Payable	Cash disbursements represent a significant risk to any City. The internal auditor could perform data analysis on disbursement data to provide valuable insight into how the City is spending money. Per our interviews during the current performance audit, staff from both Finance and Utilities expressed a desire to make the AP process more efficient.
2021	2	User Access and Segregation of Duties	Segregation of duties is a critical internal control concept that should apply to the City's electronic systems.
2021	3	Cash Receipts and Pooled Cash Reconciliations	If a new banking partner is selected as a result of the RFP currently outstanding, audit the bank reconciliation process after the initial setup with the new banking partner to ensure the process is efficient and the existing internal controls are still effective.
2021	4	Contracts and Vendor Management	An internal audit of the City's contracting and vendor management processes can determine whether the City is following bidding/contracting requirements and whether the City has adequate processes in place to hold vendors accountable to contract terms.
2021	5	TBD	Consider leaving open time slots on the audit plan to allow for the auditor to review unexpected events or perform special projects at the request of the City Manager. For example, City funds that are primarily overseen by one person carry a higher degree of inherent risk. We recommend an internal audit of the Columbia Trust to ensure proper internal controls are in place and that the Trust is administered in an appropriate and transparent manner.
2021	6	Annual Follow Up	Follow up on open recommendations from previously completed internal audits at least annually to increase accountability and help ensure the risks identified in the audit are being addressed.

City of Columbia, Missouri
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Appendix 1 – Sample Internal Audit Plan



Year Two:

FY	#	Internal Audit Name	Comments
2022	1	Payroll and Benefits	Personnel services (including payroll) is the City's largest expense category.
2022	2	Cybersecurity	Utilize an information security specialist who can perform an independent assessment of the strengths and weaknesses of the City's cyber environment. Consider including penetration or vulnerability testing as part of the audit.
2022	3	Utility Billing	A review of the billing process can give stakeholders comfort over whether key billing controls are in place and operating effectively.
2022	4	Transit Operations	An operational audit can be performed on any City department of interest to identify internal control weaknesses and inefficient processes, along with recommendations for improvement.
2022	5	TBD	-
2022	6	Annual Follow Up	-

Year Three:

FY	#	Internal Audit Name	Comments
2023	1	Budgeting	Finance management expressed a desire to improve the budgeting process. Internal audit can evaluate new processes in place and provide recommendations to improve the budgeting process in future years.
2023	2	Information Technology General Controls (ITGC)	ITGCs affect every department of the City in one way or another, so this is an important area to review on a regular basis.
2023	3	Purchase Cards and/or Expense Reports	Travel and expense reports represent a reputational risk to any City. An internal audit in this area could help ensure that the City's expense policies are being followed and that an adequate control structure is in place to review the expenses.
2023	4	IT Disaster Recovery and Backups	This audit could provide a clearer picture regarding how prepared the City is in the event of a disaster from a data protection standpoint.
2023	5	TBD	-
2023	6	Annual Follow Up	-

City of Columbia, Missouri

Finance and Utilities Performance Audit

Appendix 2 – Journal Entries Analysis

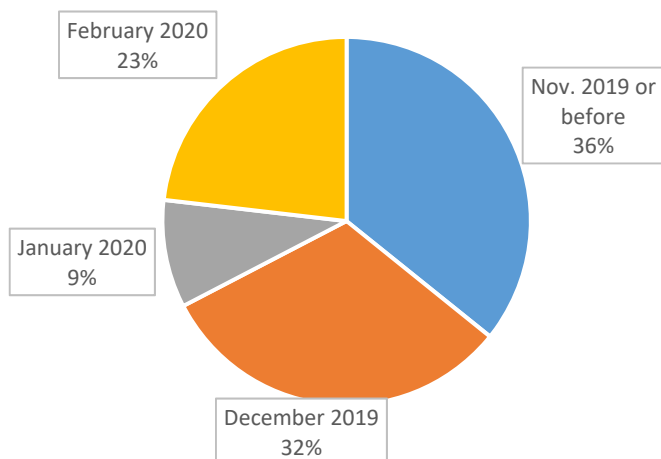


A key step in the month end close process is to record general ledger journal entries (also referred to as “closing entries”). As mentioned in observation #1, the Finance department does not close the books for the first five months of the fiscal year (October-February) until at least February.

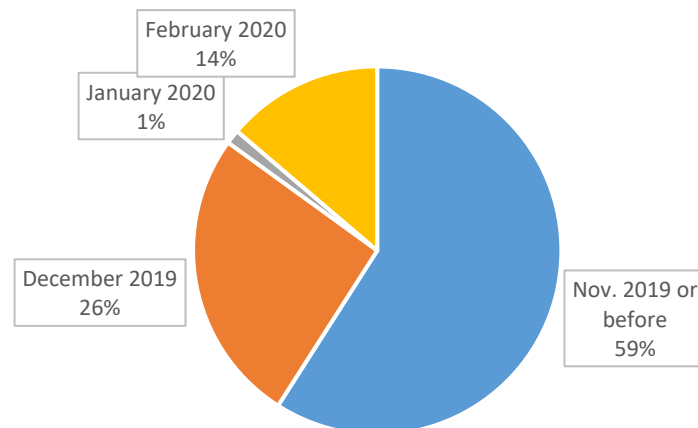
The following data shows a breakdown of when general ledger journal entries were posted for the month of November 2019:

Journal Entry Post Date	Count	Dollar
Nov. 2019 or before	68	\$ 50,893,158.53
December 2019	60	\$ 22,335,791.60
January 2020	18	\$ 1,081,604.87
February 2020	44	\$ 11,866,214.89
Totals	190	\$ 86,176,769.89

Number of GL Journal Entries by Posted Date for November 2019



Dollar Amount of GL Journal Entries by Posted Date for November 2019



City of Columbia, Missouri
Finance and Utilities Performance Audit
Appendix 2 – Journal Entries Analysis



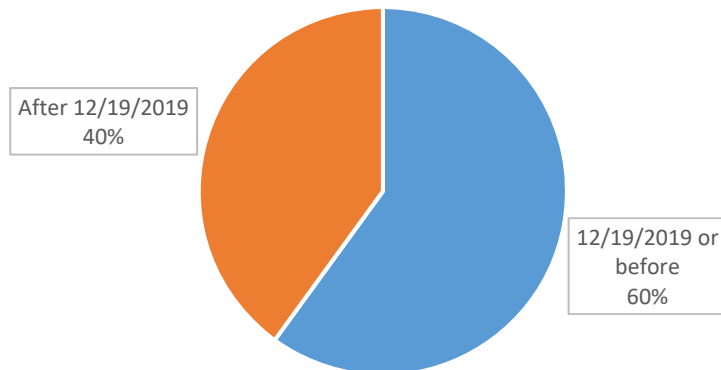
Starting around April of each year, the remaining months of the fiscal year are generally closed by the third Thursday of the following month. By the third Thursday in December, the City had posted 60% (by count) or 85% (by dollars) of its general ledger journal entries for the month of November.

We recommend the Finance department implement soft close procedures so that the number of journal entries posted by the third Thursday of the following month is at or near 100%, even during the annual audit. By implementing a soft close even during the annual audit, the Finance department can better ensure that its journal entries are made timely and that estimated monthly financial statements are more accurate.

Over the next few years, the Finance department should strive to bring down the number of days to close each month. However, this will require cooperation from other departments to ensure Finance has the information it needs to complete the required reconciliations and closing journal entries more timely.

Journal Entry Post Date	Count	Dollar
12/19/2019 or before	114	\$ 73,111,228.69
After 12/19/2019	76	\$ 13,065,541.20
Totals	190	\$ 86,176,769.89

Number of GL Journal Entries by Posted Date
for November 2019



Dollar Amount of GL Journal Entries by Posted Date
for November 2019

