



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: June 21, 2021

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Agenda Item: FY 2020-21 Audit Extension Request

Explanation: I have discussed the possibility of requesting an extension for the audit with both Lori Salmi at Phillips-Salmi and the Mayor. I am asking for the extension in light of the following circumstances:

- The year under audit – FY20-21, we were using two different accounting systems – MSI through July for payroll and financials and October for utility billing and Tyler Incode after those dates. This will require more reconciliations for the financial data.
- Because of the significant amount of time spent in conversion and implementation last year, Jeanette and I are still getting caught up and determining best practices and procedures.
- Recent retirements have resulted in multiple transitions of employee positions and an additional four “new” employees that I am supervising, thus adding to my workload and taking additional time. Overtime to accomplish audit completion by August would be significant and still may not be possible.
- Additional workload due to Ray’s retirement.
- A Single Audit will be required for FY20-21 due to receiving the CURE grant, which again requires more work as related to federal funds.

Due to the fact that we have a Single Audit requirement, the Comprehensive Year-End Financial Report (CYEFR) for Grant Accountability and Transparency Act (GATA) is automatically extended to 9 months after FYE or January 31, 2022. I believe the audit extension may provide an additional 6 months past the October 27th deadline for year-end reporting; however, my intention would be to have the audit complete so we have all final numbers well in advance of budget preparation. As such, I would be grateful to have an additional six to eight weeks to complete the audit with the intention of presentation to the City Council in November or early December rather than October as typically done to meet reporting deadlines.

Fiscal Impact: None.

Recommendation/Committee Discussion Summary: Pending recommendation by Finance & Personnel Committee.

Action Requested: Approval to seek audit extension.