

**CITY OF NEWPORT
RESOLUTION NO. 3795**

**A RESOLUTION ADOPTING A CORRECTIVE PLAN OF ACTION FOR FINDINGS
RELATED TO THE 2016-17 FISCAL YEAR AUDIT**

WHEREAS, the City of Newport's, 2016/2017 Fiscal Year (FY) audit is complete, ready for approval by the City Audit Committee, and to be approved by the City Council.

WHEREAS, the City of Newport's 2016/2017 FY audit notes that there were three budgets/programs where the actual budgets exceeded the budgeted appropriations and that there was one reportable condition concerning allowable costs related to federal awards, these are considered deficiencies and a corrective action plan is necessary to be filed with the Oregon Secretary of State and the Federal (Audit) Clearinghouse.


WHEREAS, upon receipt of an audit report under ORS 297.465(2), the governing body address any deficiencies disclosed in the report. The governing body shall adopt a plan of action to address the deficiencies. The plan must include the estimated period of time necessary to complete the planned actions. This resolution must be filed within 30 days after filing an audit report with the Secretary of State under ORS 297.465.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

1. The overspent expenditures within the Recreation Department programs, the Recreation and Finance Directors will monitor the two departments, Administration and the Swimming Pool more closely in future years. To correct these overages, the Recreation Fund expected \$301,088 as the 2017/2018 Fiscal Year Beginning Fund Balance and after the audit the final number was \$518,225, the difference of \$217,137 will cover these overages.
2. The \$4 overage listed within the Water Debt Service was due to a scrivener error when the budgets were created for the 2016/2017 FY. The Finance department will make sure the amount budgeted for the debt service will be sufficient in future budgets.
3. The reportable condition within Section III - Federal Award area, the new requirements to develop written procedures, as required by 2 CFR Part 200.302(b)(7), for determining the allowability of costs for city grants will be implemented in calendar year 2018 by the Finance Department.

This resolution will become effective immediately upon passage.

Adopted by the Newport City Council on January 16, 2018.



Sandra N. Roumagoux, Mayor

ATTEST:



Margaret M. Hawker, City Recorder