City of Albany FY2018-19
Schedule of Findings
2019-001: Capital Assets and Related Debt

Material Weakness

• During the audit of the City’s capital assets, we noted deficiencies in the City’s capital assets listing as it relates to additions, deletions, completion of projects and accumulated depreciation. We also noted the City had not recently performed a physical inventory of its capital assets for valuation and existence. Additionally, we found formula errors that had an immaterial impact on cost subtotals and depreciation calculations in the workbooks provided. Finally, we discovered that a $6.2 million lease purchase agreement from 2017-18 was not correctly reported as a capital asset and the corresponding long-term liability had not been reported.

Significant Deficiency

• During our audit, we noted management did not have routine and periodic procedures in place for closing City financial records on a monthly or an annual basis.
2019-003: Cash Reconciliations

Significant Deficiency

• During the performance of our audit, we noted that bank reconciliations for the City’s operating account did not agree with the City’s trial balance. We also noted the City did not prepare reconciliations for its payroll and accounts payable clearing accounts.
Material Weakness

During our review of the City’s long-term debt, we noted that the City did not have adequate monitoring controls over its long-term debt. We noted that the City Treasurer was processing debt service payments that the Finance department was not aware of. We also noted the City had not made any adjustments to its general long-term debt account group to agree with their respective outstanding balances. As noted in Finding 2019-001, the City had improperly excluded a $6.2 million lease purchase for the Public Works building in its June 30, 2018 financial statements.
Significant Deficiency

• During our audit, we noted the City did not have adequate monitoring controls over its grants. When inquiring about certain grants, we found that information was not readily available and grants were not aggregated in a way to facilitate tracking and monitoring.
2019-006: Disbursements

Control Deficiency

• During our test of controls over the City’s disbursements, we noted the following exceptions:
  • One credit card transaction was over the $1,000 limit, so the cardholder split the payment to bypass the limits.
  • Missing Receipt Forms were not signed by the department head to authorize charges with missing retail receipts for credit card and store account charges.
  • The City did not stamp invoices with the received date at department level to document proper receipt and timely payment of the invoice.
2019-007: Cash Receipts

Control Deficiency

• During our test of controls over the City’s cash receipts, we noted the following exceptions:
  • Daily Cash Count Reports were not signed by the receiving department.
  • RecTrack Unearned Revenue reports were not reconciled to the general ledger.
  • Checks were not stamped “For Deposit Only.”
2019-008: Internal Service Funds and Related Liabilities

Material Weakness

- It appears the City has not fully utilized the self-insurance internal service funds in the past few fiscal years. In addition, the City had not reviewed and updated its insurance claims, compensated absences and related liabilities in these funds.