



**RESOLUTION NO. 1061  
ADOPTING PLAN OF ACTION IN RESPONSE TO 2021-22 AUDIT FINDINGS**

**WHEREAS**, the City contracts with the independent auditing firm SingerLewak LLP to conduct annual audits;

**WHEREAS**, the audit revealed three deficiencies that require a corrective action plan; and

**WHEREAS**, the City Manager and her staff have prepared a corrective action plan, attached as Attachment 1, that will address the identified deficiencies going forward.


**NOW THEREFORE, BE IT RESOLVED THAT:**

1. The Stayton Council accepts and adopts the attached plan of action in response to the audit findings for FY 2021-22 and authorizes the City Manager and Mayor to sign the Plan of Action.
2. This Resolution shall become effective upon its adoption by the Stayton City Council.

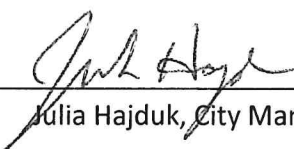
**ADOPTED BY THE STAYTON CITY COUNCIL THIS 1<sup>ST</sup> DAY OF MAY 2023.**

CITY OF STAYTON

Signed: 5-1, 2023

By:   
\_\_\_\_\_  
Mayor Brian Quigley, Mayor

Signed: 5-2, 2023

ATTEST:   
\_\_\_\_\_  
Julia Hajduk, City Manager



# City of Stayton

*Administration • Finance*  
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May 1, 2023

Oregon Secretary of State,  
 Audits Division  
 255 Capitol St. NE, Suite #500  
 Salem, OR 97310

## **Plan of Action for City of Stayton**

City of Stayton ("City") respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2022. The audit was completed by the independent auditing firm SingerLewak LLP and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on May 1, 2023, via resolution 1061 and as indicated by signatures below.

The deficiencies are listed below, including the adopted plan of action and timeframe for each.

- Deficiency #1 - Material Weakness in Internal Control related to Capital Assets**  
 The City was unable to produce a complete capital asset and related depreciation schedule that agreed to the prior year financial statements. The auditing firm found that the cause was reduced staffing and staff turnover in recent years, impacting the design of the controls relating to a) reconciling capital asset account/balances to detail records, and b) the monitoring to ensure the control is working as intended include the text of the finding and auditor recommendation.

After year-end, the City put substantial effort into compiling a comprehensive list of capital assets as of June 30, 2021 (the prior fiscal year), including a valuation of historical cost and related depreciation. Based on the results of that effort, substantial prior period adjustments were made to prior financial statement balances. The comprehensive capital assets listing was updated for the current fiscal year and will be maintained, reconciled, and reviewed/approved annually at each year end.
- Deficiency #2 – Expenditures in Excess of Appropriations**  
 The General Fund's Community Center program was over budget by \$97. The City's Finance group will work more closely with program managers to compile accurate projections ensuring that all expenditures stay within appropriations.

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- 3. **Deficiency #3 – Errors in Detailed Budget Sheets and Notice of Budget Hearing**  
There were errors on the City’s detailed General Fund budget sheets and on the Notice of Budget Hearing published as part of the City’s 2022-23 Budget process. Specifically, there were errors in 2020-21 audited General Fund resources and requirements. On the financial summary portion of the Notice of Budget Hearing, there were errors in 2020-21 audited requirements and in the 2021-22 budgeted resources and requirements.

The City has implemented a reporting and budgeting add-on for its accounting system that is expected to substantially improve the accuracy of historical budget and actual information. This program is operational for the upcoming budget cycle for FY 2023-24. The City’s finance group will also implement a secondary review of all budget notices prior to initiating publication, effective immediately.

  
\_\_\_\_\_  
Brian Quigley, Mayor

  
\_\_\_\_\_  
Julia Hajduk, City Manager

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