

T. G. A.

Memorandum Date: December 13, 2006
Order Date: December 13, 2006

TO: Board of County Commissioners
DEPARTMENT: Management Services
PRESENTED BY: Kay Blackburn, Financial Services Manager
AGENDA ITEM TITLE: IN THE MATTER OF ACKNOWLEDGING RECEIPT OF THE LANE COUNTY, OREGON COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2006, AND SETTING FORTH THE CORRECTIVE MEASURES FOR DEFICIENCIES CONTAINED THEREIN

I. MOTION

MOVE APPROVAL OF ORDER 06-12-13-XX IN THE MATTER OF ACKNOWLEDGING RECEIPT OF THE LANE COUNTY, OREGON COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2006, AND SETTING FORTH THE CORRECTIVE MEASURES FOR DEFICIENCIES CONTAINED THEREIN.

II. AGENDA ITEM SUMMARY

The Board is being asked to accept the County's comprehensive annual financial report for the fiscal year ended June 30, 2006. The County is required by state law to have an annual audit conducted of its accounts and fiscal affairs by an independent accountant licensed by the State of Oregon. The County is further required to submit a copy of the report to the Secretary of State.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The County is required by state law to have an annual audit conducted of its accounts and fiscal affairs by an independent accountant licensed by the State of Oregon. In accordance with ORS 297.465(2), a copy of that audit report shall be furnished to each person who was a member of the governing body at the end of the fiscal year and to each member of the current governing body. The Board has historically reviewed and accepted the annual audit in December of each year.

B. Policy Issues

In accordance with APM Chapter 2 Section 6, audits conducted by external firms are submitted to the Finance and Audit Committee, and after review by that committee, the reports will be sent to the Board for final review and acceptance. Finance and Audit reviewed the report on December 5, 2006.

C. Board Goals

Preparation and submittal of the annual financial report and audit supports the goal of providing efficient and effective financial and administrative support.

D. Financial and/or Resource Considerations

None.

E. Analysis

Moss Adams, LLP, the external auditors, have issued an unqualified opinion on the basic financial statements of Lane County, Oregon, which means they are fairly presented, in all material respects, for the fiscal year ended June 30, 2006. However, the auditors also noted one exception to compliance with Oregon Local Budget Law in the preparation, adoption and execution of the Lane County budget for the year ended June 30, 2006. The exception is as follows:

Expenditures in the Parks and Open Spaces Fund exceeded authorized appropriations.

Proposed Remedy: Finance and Budget staff will provide quarterly budget monitoring reports to enhance budget monitoring effectiveness and will provide additional budget monitoring guidance to departmental staff.

F. Alternatives/Options

The County is required to file a copy of the Comprehensive Annual Report with the Secretary of State by December 31, 2006. The only alternative, if the Board wishes to reject the report as presented, would be to request an extension of time to file the annual report with the Secretary of State.

IV. TIMING/IMPLEMENTATION

Financial Services staff will file the annual report with the Secretary of State prior to December 31, 2006.

V. RECOMMENDATION

The Financial Services Manager recommends the Board accept the annual financial report and approve the Order and Resolution.

VI. FOLLOW-UP

Budget and Planning staff, along with Financial Services staff will present quarterly budget monitoring reports to the Finance and Audit Committee beginning in January 2007, in order to facilitate improved budget compliance.

VII. ATTACHMENTS

Attachment A – Board Order and Resolution 06-12-13-

Attachment B – Lane County, Oregon Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2006

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER AND RESOLUTION) IN THE MATTER OF ACKNOWLEDGING RECEIPT OF
) THE LANE COUNTY COMPREHENSIVE ANNUAL
) FINANCIAL REPORT (CAFR) FOR THE YEAR ENDED
) JUNE 30, 2006, AND SETTING FORTH THE CORRECTIVE
) MEASURES FOR DEFICIENCIES CONTAINED THEREIN

WHEREAS, ORS 297.465(2) requires that a copy of the audit report be furnished to each person who was a member of the governing body at the end of the calendar or fiscal year and to each member of the current governing body; and

WHEREAS, ORS 297.446(2) requires that upon receipt of an audit report under ORS 297.465 the governing body of a county shall determine the measures it considers necessary to correct any deficiencies disclosed in the report and shall adopt a resolution setting forth the corrective measures it proposes and the period of time estimated to complete them; and

WHEREAS, ORS 297.465(3) requires the municipal corporation shall file one copy of its audit report with the Secretary of State.

WHEREAS, ORS 297.466 (3) requires that within 30 days after a county files a copy of its audit report with the Secretary of State under ORS 297.465 a copy of the resolution prepared under the preceding section shall also be filed; and

WHEREAS, the independent auditor's report noted exceptions to compliance with Local Budget Law;


IT IS HEREBY ORDERED that the Board of Commissioners acknowledges receipt of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006; and it is

FURTHER ORDERED that a copy of the audit report be filed with the Secretary of State; and it is

FURTHER ORDERED AND RESOLVED that the Budget and Planning Office and Financial Services Division shall undertake the corrective measures agreed upon in Attachment A during the FY 07-08 budget process and FY 07 reporting period.

Dated this 13th day of December 2006.

BILL DWYER, CHAIR
Board of County Commissioners

APPROVED AS TO FORM
Date 12-5-06 Lane County

OFFICE OF LEGAL COUNSEL

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER 06-12-13- ATTACHMENT A

Agreed upon corrective measures:

- Expenditures in the Parks and Open Spaces fund exceeded authorized appropriations.

Remedy: Finance and Budget staff will collaborate to provide enhanced budget monitoring mechanisms, including quarterly fund reporting to the Finance and Audit committee. The first quarterly budget monitoring reports will be presented to the January 2007 Finance and Audit Committee.