

Finance Committee Amendments-Proposed

Amendment Title: Water Utility Financial and Management Audit
Agency: Water
Sponsors: Alder Baldeh
Co-Sponsor (s): Alder Ahrens, Alder Arntsen, Alder Furman, Alder Kemble, Alder Zellers

Amendment

Amendment Narrative

Require the Water Utility to perform an audit of the Utility's financial management and planning practices. The completed audit will include recommendations for areas of improvement. The audit will be completed by December 31, 2019. The auditor selection and audit process will be overseen by the Finance Department.

Amendment by Funding Source

	General Fund	Other Funds
Revenue	0	0
Expenditure	0	0
TOTAL	\$0	\$0
<i>TOAH Impact</i>	\$0.00	n/a

Amendment by Major

Revenue	0
Permanent Salaries	0
Benefits	0
Supplies	0
Purchased Services	0
<u>Other</u>	<u>0</u>
Total:	\$0

Discussion

Amendment Impact

Recurrence:	One-Time
Annualized Cost:	\$0

Amendment Analysis

The proposed amendment requires the Water Utility to secure a contract for an external audit of the Utility's financial management and planning practices. The contract will be funded through purchased service appropriation included in the 2019 Executive Budget.

The Water Utility's financial statements are audited annually as part of the yearend process; the 2019 Executive Budget includes \$14,000 to complete the Utility's financial audit for Fiscal Year 2018.

The 2019 Executive Budget reflects a projected 30% increase in water rates; this rate increase was recently approved by the Public Service Commission. Funding for this audit was not included in the projected budget that was submitted as part of the rate case. Funding the audit will result in the Water Utility deferring other purchased service expenditures.