



June 11, 2024

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

Plan of Action for City of Sweet Home

The City of Sweet Home, Oregon respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2023. The audit was completed by the independent auditing firm Grove, Mueller & Swank and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on June 11, 2024, as indicated by signatures below.

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

1. Deficiency #1: Account Reconciliations

- a. Material Weakness – During our audit, we noted that periodic reconciliations of various major accounts were not performed in a timely manner (cash, accounts payable, accrued liabilities, and interest revenues allocations). It is important to reconcile subsidiary ledgers or supporting schedules to the general ledger to ensure the accuracy of financial information and minimize the risk of misstatement or misappropriation. We strongly recommend that a policy be implemented whereby all subsidiary ledgers and/or supporting schedules are reconciled to the general ledger on a monthly or otherwise timely basis. We also recommend that appropriate management-level personnel review the reconciliations for accuracy and document evidence of their review.
- b. Document the plan of action – Since a changeover in staff for the Finance Director and City Manager roles, new staff has been brought on to assist getting the city back up to date with reconciliations. Our new contracted Finance Director is now up to date with reconciliations through fiscal year 2024 working alongside another consultant who is specializing in our main bank reconciliations to ensure they are up to date through fiscal year 2024.
- c. Timeframe – This weakness discovered during the audit process has been corrected at the conclusion of the audit.

2. Deficiency #2: Failure to submit timely audited financial statements.

- a. Material Weakness – Failure to submit the audited financial statements timely can have several adverse effects. It is recommended that the City establish and implement a plan to ensure the timely preparation and submission of audited financial statements.
- b. Staff is working with auditors to complete previous audits as fast and accurately as possible. Fiscal year 2022 was completed as of June 2024. Auditors and staff will be beginning fiscal year 2023 right away. After the 2023 audit is complete, fiscal year 2024 will begin. The City of Sweet Home should be back to timely audits for the 2024 fiscal year.

- c. Timeframe – The City of Sweet Home and auditing firm are working on a timeline as indicated above and have every interest in completing audits and resuming standard/timely audit submittals.

Mayor (Print Name)

Signature

City Manager (Print Name)

Signature