

City of Norfolk, Virginia

Audit Results – Year Ended June 30, 2018



Create Opportunities

Agenda

- Summary of audit results
- Required communications

Audit Results

- **Auditors' Opinion on Financial Statements – Unmodified**
- **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**
 - no material weaknesses or significant deficiencies over financial reporting noted.
 - Three APA findings were identified:
 - ◇ Failure to Comply with the Virginia Reporting Requirements
 - ◇ Failure to Comply with Virginia Storm Water Utility Reporting Requirements
 - ◇ Virginia Department of Social Services Acceptable Use Policy – lack of documentation for one of twenty-five employees tested

Audit Results - continued

- **Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.**

No material weaknesses identified. Three significant deficiencies noted:

- HIV/Emergency Relief Project Grants - The City did not file SF-425 for the quarter ending March 31, 2018.
- HIV/Emergency Relief Project Grants - The program did not verify suspension and debarment requirements for two out of five contracts tested.
- Community Development Block Grant - The City does not maintain property records for equipment purchased with federal funds in accordance with 2 CFR section 200.313(d)(1).



Required Communications

- As described in Note XXVI of the CAFR, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement required accrual of the OPEB liability, additional disclosures in the footnotes, and restatement of beginning net position.
- Accounting estimates
- Financial statement disclosures
- Difficulties encountered during the audit

Required Communications - continued

- No material corrected or uncorrected misstatements
- No disagreements with management
- Management representations
- Management consultations with other independent accountants
- Significant issues discussed with management prior to engagement
- Other audit findings or issues – separate management letter issued
- Audit of group financial statements
- Other information in documents containing audited financial statements
 - Required supplementary information
 - Supplementary information
 - Schedule of Expenditures of Federal Awards





THANK YOU!

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Principal

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