

Other Required Reports

City of Mound

Mound, Minnesota

For the Year Ended
December 31, 2019

City of Mound, Minnesota
Other Required Reports
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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Mound, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mound, Minnesota (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Mound failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the Schedule of Findings and Responses as 2019-001. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The City's response to the finding identified in our audit are described in the accompanying Schedule of Finding and Response. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use those charged with governance and management of the City and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 12, 2020

City of Mound, Minnesota
Schedule of Finding and Response
For the Year Ended December 31, 2019

<u>Finding</u>	<u>Description</u>
2019-001	Time Period for Payment
<i>Condition:</i>	Auditing for legal compliance requires a review of the City's payment of claims. Our study indicated an instance of non-compliance that we believe is required to be remedied.
<i>Criteria:</i>	Minnesota statute section 471.425 requires that the City pay bills within 35 days from receipt. If the invoice is not paid within the 35 days, interest at 1.5 percent per month is to be added to amount due.
<i>Cause:</i>	We noted one invoice that was paid after the 35 day period. This occurred during a period of staff leave of absence.
<i>Effect:</i>	The City is out of compliance with Minnesota statute.
<i>Recommendation:</i>	We recommend that the City continue to monitor policies and procedures in place at the City to ensure invoices are paid timely in accordance with the policies currently in place.
<i>Management Response:</i>	
The FIN-003 Procurement Policy, Section 3. Authorization #7 will be amended to read: Checks are cut and mailed after City Council approval <u>within 35 days of receipt of claim per MSS 471.425.</u> In addition, accounts payable checklists will be updated accordingly. Management would also like to note the invoice was paid 6 days late, no interest was paid, and there are mitigating controls to identify outstanding invoices.	