



**CITY OF BEVERLY HILLS**  
455 North Rexford Drive  
Beverly Hills, CA 90210  
4<sup>th</sup> Floor Conference Room A

**The Beverly Hills City Council Liaison / Audit Committee**

**SPECIAL MEETING HIGHLIGHTS**

Wednesday, May 30, 2018  
5:15 PM

**MEETING CALLED TO ORDER**

Date / Time: May 30, 2018 / 5:40 PM

**IN ATTENDANCE:** City Manager Mahdi Aluzri, Councilmember Robert Wunderlich, Councilmember Lester Friedman, City Treasurer Howard Fisher, City Attorney Laurence S. Wiener, Assistant Director of Finance Tatiana Szerwinski, Accounting Manager Roza Jakabffy, Executive Assistant II Vanessa Catullo, Crowe Horwath Manager Tori Roberts, Crowe Horwath Audit Partner Kathy Lai

Public in attendance: None

**1) PUBLIC COMMENT**

Members of the public were given the opportunity to directly address the Committee on any item listed on the agenda.

None.

**2) FISCAL YEAR 2018 ANNUAL FINANCIAL AUDIT**

The auditor noted last year's deficiency in internal controls which is considered to be a concerning weakness related to information system controls:

- Super user access in program controls – for proper segregation of duties, the designated system administrator should be outside of the operations environment.

Management has taken steps to implement corrective action:

- In February 2017 super user access in program controls was removed. Management trained the IT Department how to build workflows in Munis and update user roles and permissions. Management will continue to work closely with IT Department to ensure a smooth transition.

Regarding the current year's audit, the independent auditor introduced two concerns, one arising from the interim audit fieldwork and a second raised by management.

- The auditor observed a payroll segregation of duties issue where the Principal Accountant has system access to make record changes in the system outside of



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the personnel action approval process. The auditor recommended segregation of these duties or development of mitigating reviews and controls. Management is assessing and developing changes to these system controls or mitigating reviews.

- Management reported to the auditor concerns over the procurement controls and financial reporting for the City's Concours d'Elegance Car Show, sponsored in conjunction with the Friends of Greystone. The potential to include additional focused work surrounding this area was discussed and will be decided by management and communicated to the auditor.

**3) ADJOURNMENT**

Date / Time: May 30, 2018 / 6:08 PM