



City of

**GOLD HILL**

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May 18, 2020

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

**Plan of Action for The City of Gold Hill**

The City of Gold Hill respectfully submits the following corrective action plan in response to deficiencies reported in our audit of fiscal year ended June 30, 2019. The audit was completed by the independent auditing firm Umpqua Valley Financial and reported the deficiencies listed below. The plan of action was adopted by the governing body at their meeting on May 18, 2020, as indicated by signatures below.

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

1. Deficiency #1
  - a. Material Weakness – Bank reconciliations were not completed in a timely manner.
  - b. Plan of Action – Bank reconciliations will occur on a weekly basis by the City Manager.
  - c. Timeframe – Implemented February 25, 2020.
2. Deficiency #2
  - a. Material Weakness – Revenues were not posted correctly, or at all in many cases. No controls were detected for revenue accounting.
  - b. Plan of Action – In the case of cash, checks, money orders, or credit card payments received during working hours, they are posted the same day. If received after working hours (through drop slot), they are posted the next working day. Revenues received through ACH transactions are posted during the weekly bank reconciliation.
  - c. Timeframe – Implemented February 25, 2020
3. Deficiency #3
  - a. Material Weakness – Numerous accounts payable batch postings were entered in the wrong fiscal year. Controls for detecting such errors were not detected.

- b. Plan of Action – Accounts Payable batch postings are now only created twice monthly and reconciled at the end of the month. Dates posted are reviewed at that time by a second party.
- c. Timeframe – April 15, 2020

4. Deficiency #4

- a. Material Weakness – Payroll liability accounts were not reconciled with actual amounts due.
- b. Plan of Action – Payroll liability accounts will be reconciled with actual amounts due on a bi-monthly basis.
- c. Timeframe – Currently the City outsources its payroll to a third party. City will be bringing the payroll back in-house with implementation of new municipal accounting software. Software is expected to be online before July 1, 2020. Reconciliation will begin at that time.

5. Deficiency #5

- a. Material Weakness – Monitoring procedures over bank reconciliations, revenue postings, accounts payable postings, payroll related postings, and financial reporting either did not take place or was ineffective in detecting errors.
- b. Plan of Action – After discussion with the auditor, it was agreed that on a monthly basis, a City Councilor who is a member of the Finance Committee will review the previous months reconciliation as another form of oversight.
- c. Timeframe – Will be implemented in May 2020 with review of April’s reconciliation.

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Jessica Simpson, City Manager/Recorder

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Signature

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Pete Newport, Mayor

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Signature