



Thomas K. Butt

BETTY T. YEE
California State Controller

August 26, 2015

Bill Lindsay, City Manager
City of Richmond
450 Civic Center Plaza, Suite 300
Richmond, CA, 94804

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BY:

Dear Mr. Lindsay:

This letter is to inform you that the State Controller's Office (SCO) will review the City of Richmond's Administrative and Internal Accounting Controls. This will also include any findings on selected local, state and federal programs administered by the city. The review will be of fiscal year (FY) 2012-13 and FY 2013-14 unless issues come to our attention that will necessitate expanding our work to prior and/or current fiscal years.

The review will be conducted pursuant to Government Code section 12410 which requires the Controller to ". . . superintend the fiscal concerns of the state. The Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment."

Additionally, we believe that the city's ability to provide reliable and accurate information regarding required financial reports submitted by the city is questionable. Therefore, under Government Code section 12464(a), we will conduct an investigation/review to validate the Annual Report of Financial Transactions reports submitted by the city during FY 2012-13 and FY 2013-14. Under Government Code section 12464(b), the costs of this investigation/review, including preparing a report of the results and transmitting copies to the city council, will be borne by the city.

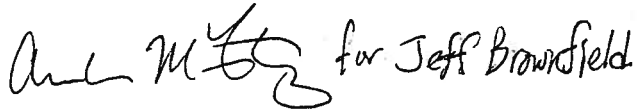
To expedite the completion of the review, please have available working papers and/or reports summarizing revenues, expenditures, and account balances. Attached is a Document and Information Request that lists the documents we will need for our review. We request that these documents be made available at the start of the fieldwork. We may request additional specific information and documentation throughout the course of the review.

The entrance conference will be held at 450 Civic Center Plaza, Suite 300, Richmond, California at 10:30 a.m. on September 14, 2015. We will appreciate workspace and the appropriate contact personnel being made available to them at that time. We anticipate fieldwork to be completed in approximately eight weeks.

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If you have any questions or require additional information, please contact Mike Spalj, Chief, Local Government Audits Bureau by telephone at (916) 324-6984 or by email at mspalj@sco.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Jeff Brownfield" with a stylized flourish at the end.

JEFFREY V. BROWNFIELD, CPA, Chief
Division of Audits

JVB/lb

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cc: The Honorable Thomas K. Butt, Mayor
City of Richmond
Belinda Warner, Finance Director/Treasurer
City of Richmond
George Lolas, Chief Operating Officer
State Controller's Office
Mike Spalj, Chief
Local Government Audits Bureau
State Controller's Office

ATTACHMENT

DOCUMENT AND INFORMATION REQUEST

- Minutes of city council and committee meetings
- Resolution logs
- City's written policies and procedures for the accounting system
- General ledger, journals, and chart of accounts
- Payroll records (i.e. timesheets, payroll registers, canceled checks)
- Accounts receivable and payable journals
- Independent audit and government audit reports
- Organization chart with job duties listed
- Personnel records
- Contracts and purchase invoices
- Other pertinent documents relating to the audits and reviews