



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: City Auditor**

**Meeting Date: March 27, 2023**

**Report #:2303-1075**

### **TITLE**

Consent of the Macias, Gini & O'Connell's Single Audit Report for the Fiscal Year Ended June 30, 2022

### **RECOMMENDATION**

The Office of the City Auditor and Staff recommend that the City Council consent to the audit reports for the fiscal year ended June 30, 2022, prepared by Macias Gini & O'Connell ("MGO"). These reports are collectively referred to as the Single Audit.

1. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
2. Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Federal Awards Required by the Uniform Guidance.

### **BACKGROUND**

At the [January 23, 2023 City Council Meeting, the City Council approved the following audit reports prepared by MGO:](#)

- a. Auditor's Report to the City Council (the "Management Letter")
- b. Cable TV Franchise, Independent Auditor's Report and Statements of Franchise Revenues and Expenses for the years ended December 31, 2021 and 2020
- c. Palo Alto Public Improvement Corporation (a component unit of the City of Palo Alto) Annual Financial Report for the year ended June 30, 2022
- d. Regional Water Quality Control Plant, Independent Auditor's Report and Financial Statements for the year ended June 30, 2022
- e. Independent Accountant's Report on Applying Agreed-Upon Procedures related to the Article XIII-B Appropriations (GANN) Limit for the year ended June 30, 2022

At that time, guidance necessary for the completion of the Single Audit had not yet been released by Federal Office of Management and Budget. The Single Audit report has since been completed, thus the recommended action within this report.

MGO reports the following within the Single Audit Report:

- Unmodified opinions as it pertains to both the Financial Statements and to Federal Awards
- No material weaknesses or significant deficiencies in internal controls over financial reporting or over major programs
- No findings or questioned costs

#### **FISCAL/RESOURCE IMPACT**

There is no resource impact associated with this report.

#### **STAKEHOLDER ENGAGEMENT**

This report has been prepared by the Office of the City Auditor in coordination with the Administrative Services Department.

#### **ENVIRONMENTAL REVIEW**

This consent is exempt from CEQA and requires no further environmental review.

#### **ATTACHMENTS**

Attachment A: City of Palo Alto Single Audit Reports FY 2022

#### **APPROVED BY:**

Adriane McCoy, City Auditor