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Contact: David Frasher, City Manager

Phone: 503-657-0891

E-mail: dfrasher@orcite.org



Press Release

Oregon City to Hire Consultant for Internal Controls Review

The City of Oregon City is planning to hire an independent CPA consulting firm to review internal controls. City Manager David Frasher has directed the Finance Department to evaluate contracting with an outside firm to assess and make recommendations on procedures designed to prevent or detect errors.

Frasher hired Finance Director Wyatt Parno seven months ago. The two agreed then that an overall analysis of financial controls was in order because the Finance Department had been understaffed for several years. The Manager had planned to increase financial oversight capacity and filled a newly established Assistant Finance Director position in December.

“The City is subject to annual financial report audits and has received clean opinions the last several years,” said Parno. “This has helped maintain a strong credit rating. However, internal controls testing performed during those audits is limited in scope.” Financial statement auditors consider controls in relation to the issuance of financial reports, but they don’t perform testing to report on the effectiveness of controls overall.

According to Frasher, the City has a responsibility to design internal controls to ensure resources are protected. “I’m confident that our finance staff is qualified to do this, but we are electing to implement the reviews on an accelerated timeline. I will be discussing with the Commission a plan to hire an outside firm to perform a separate internal control review engagement.”

This action follows a recent error where the City undercharged homebuilders for transportation system development charges. “I don’t have any reason to believe that the error in our building division is more than an isolated incident,” said Frasher. “When it comes to protecting public resources we operate under a system of trust but verify... we intend to do more verification.”

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