



CITY OF RIVIERA BEACH

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OFFICE OF
CITY MANAGER

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: KAREN HOSKINS, CITY MANAGER

A handwritten signature in black ink, appearing to be "KH", is written over the name "KAREN HOSKINS, CITY MANAGER".

DATE: June 14, 2018

RE: INFORMATION FOR FORENSIC AUDIT

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Please find attached information provided by the Finance Director regarding different firms that offer forensic audit services.

As it relates to the cost of the services, I contacted two firms to obtain an estimate for a City forensic audit. Both firms responded that they needed a more specific scope in reference to the area of concern.

In the June 6 meeting there were several areas that were mentioned. The City Council should decide as a collective body which areas they would like the forensic audit to concentrate on. Some examples are (but not limited to):

- 1) Cash Disbursements (vendor payments/employee payments)
- 2) Cash Receipts/deposits (collection of revenues)
- 3) What fiscal year/s?
- 4) Which funds will be covered in the scope of work?
- 5) Internal Controls
- 6) Employee Benefits
- 7) Awarding Contracts
- 8) Hiring of Employees

I did provide that there was some discussion regarding having the audit cover a ten year span. Both firms estimated that a forensic audit, based on a specific scope usually is double the cost of the annual financial audit. The annual financial audit is approximately \$70,000. The City would be required to secure Forensic Audit services through an RFP.

I have attached information from an online search of a draft RFP for forensic audit services. The City of Glendale, for example, is seeking an explanation and detailed documentation for the depletion of their General Fund Balance. They have also included a comprehensive review of all types of payments and internal control systems. Please let this serve as an example.