

AGENDA DESCRIPTION:

Consideration and possible action to receive and file "Independent Accountants' Report on Agreed-Upon Procedures (AUP) Performed with Respect to City Employee Compensation, for the calendar year ended December 31, 2017."

RECOMMENDED COUNCIL ACTION:

- (1) Receive and file documents related to the City Employee Compensation and Benefit Analysis Report for 2017.

FISCAL IMPACT: None

Amount Budgeted:	N/A
Additional Appropriation:	N/A
Account Number(s):	N/A

ORIGINATED BY: Vina Ramos, Accounting Supervisor *VR*

REVIEWED BY: Deborah Cullen, Director of Finance *D*

APPROVED BY: Doug Willmore, City Manager *DW For*

ATTACHED SUPPORTING DOCUMENTS:

- A. Independent Accountants' Report on Agreed-Upon Procedures (AUP) Performed with Respect to City Employee Compensation, for the calendar year ended December 31, 2017 (page A-1)
 - B. 2017 City Employee Compensation and Benefit Analysis Report (page B-1)
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BACKGROUND AND DISCUSSION:

The Finance Department has completed the Employee Compensation and Benefit Analysis for the calendar year ended December 31, 2017 ("Analysis"). The Analysis (Attachment A) includes the total compensation for all City employees who worked at the City during the calendar year. The total compensation captures all forms of pay and City-paid benefits including wages, allowances, overtime, declined health insurance, bonus, severance, vacation buy-out, pension contribution, health insurance, ancillary insurance, and retirement health savings. In addition, the Analysis includes an accounting of all leave time earned during 2017.

On March 19, 2018, the City's independent financial statement auditor, Vavrinek, Trine, Day & Co., LLP (VTD) performed an agreed-upon procedures (AUP) engagement, in accordance with attestation standards established by the American Institute of Certified Public Accountants. VTD's procedures include tracing applicable gross pay from the City's payroll system and W-2 filings, sampling 20 employees, and tracing amounts in the report to supporting documentation.

On April 20, 2018, VTD issued a report with respect to the results of the AUP. The report includes VTD's performed procedures and, as listed in the report, there were "no exceptions" noted (clean audit) on all performed procedures. More details of the report can be found in Attachment A. The detailed "2017 City Employee Compensation and Benefit Analysis Report" is included as Attachment B.

Staff is recommending that the City Council to receive and file the Analysis for 2017 and the AUP Report. These reports will be published on the City's "Transparency" webpage at <http://www.rpvca.gov/225/Employee-Compensation>.

ALTERNATIVES:

In addition to the Staff recommendation, the following alternative action is available for the City Council's consideration:

1. Discuss and take other action related to this item.