



## Finance Committee

### Budget Snapshot - Internal Controls

**Agenda Date:** 7/17/2019  
**Agenda Item Number:** 6.B  
**File Number:** 19-0655

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**Type:** information **Version:** 1 **Status:** Filed

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#### **Title**

Budget Snapshot - Internal Controls

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive a briefing on internal controls. Briefing only; No action required.

#### **Report**

##### **Issue:**

Whether to receive a briefing on internal controls.

##### **Staff Contact:**

Nanci Lien, Fiscal Services Director, 360.756.8465

##### **Presenter(s):**

Nanci Lien, Fiscal Services Director, Administrative Services Department

#### **Background and Analysis:**

Formally stated, internal controls are the structure, policies, and procedures put in place to provide reasonable assurance that management meets its objectives and fulfills its responsibilities. In plain English, internal controls are good old common-sense practices that help management be effective and efficient while avoiding serious problems such as overspending, operational failures, and violations of law.

Best practices identify five components that work together to support an organization's effective internal control system:

1. Control environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

Staff will present information on these five components and provide examples of internal controls

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used by the City.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

Information only.

**Financial Impact:**

N/A

**Attachments:**

None