



**City of Philadelphia
Office of the City Controller**

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**Office of the City Controller Receives External Audit of Its
Financial Operations for Fiscal Year 17**

The Controller's Office received the results of its first independent external examination in more than twenty years.

Philadelphia, PA – The Office of the City Controller released the results of an external audit, called the Independent Accountant's Examination Report, of its financial operations for Fiscal Year 2017 (July 1, 2016 – June 30, 2017), including the Office's response and plan to address the findings presented. The examination tested petty cash, personal property inventory, revenue and receipts, purchases and encumbrances, personal services/payroll and other expenditures and additional procedures performed to gain an understanding of the internal controls related to the testing areas over the examination period. This examination, which is similar to the annual auditor's report of City departments conducted by the Controller's Office, found no material weaknesses or significant deficiencies. The audit, however, noted several conditions with recommendations for remediation. The Controller's Office, under the leadership of City Controller Rebecca Rhynhart, provided a response in the report with a detailed plan to address the findings.

"Despite being an industry-accepted best practice, Philadelphia's Office of the City Controller has not had an independent, external audit of its operations in decades. On the campaign trail and as part of my transition, I committed to having this audit completed to ensure the Controller's office was above reproach," said Controller Rhynhart. "I want to lead by example, and now that the report is complete, I am committed to implementing the recommendations outlined in the examination report. We will also take additional steps to improve the processes and controls in place in the Controller's Office moving forward."

Conditions in the report included timesheet recording and petty cash, which occurred prior to Controller Rhynhart's tenure. The Controller's Office implemented changes immediately to rectify the issues identified, establishing a more rigorous petty cash reconciliation process and requiring more stringent timesheet approvals.

In addition and going beyond the recommendations in the audit, the Controller's Office is undertaking a thorough update to all of the office's administrative policies and will train all staff on the new policies in the coming months.

The independent, external examination was conducted by Mercadien P.C., Certified Public Accountants. Read the full report and response from the Controller's Office [here](#).