



# STAFF REPORT

AGENDA ITEM NO: 9m

MEETING DATE: June 16, 2025

**To:** Honorable Mayor and City Council

**Date:** June 16, 2025

**From:** Helen Yu-Scott, Finance Director – (650) 558-7222

**Subject:** Acceptance of the City of Burlingame's Assessment of Internal Controls Report

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## **RECOMMENDATION**

Staff recommends that the City Council accept the Assessment of Internal Controls report.

## **BACKGROUND**

On June 27, 2024, the 2023-2024 San Mateo County Civil Grand Jury released a report entitled "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts". An accompanying letter asked for a response from the City of Burlingame regarding the Grand Jury's findings and recommendations. The Council approved the draft letter on September 16, 2024, and provided the response to the Superior Court judge by the due date of September 25, 2024.

## **DISCUSSION**

The Grand Jury's report provides an overview of internal controls, including regulatory history and recommendations on how to strengthen internal controls. Based on the findings and recommendations, in November 2024, the City contracted with DKG Consultants, LLC (hereinafter referred to as "Consultant"), a consulting firm, to assist with evaluating and analyzing the City's internal financial controls throughout the organization and to develop an enterprise risk assessment framework.

For the past few months, the Consultant has interviewed staff in the Finance Department and operating departments to assess policies, processes, procedures, documentation, and controls, gaining an understanding of how the City's current operational environment works. Subsequently, the Consultant developed and issued the City of Burlingame's Assessment of Internal Controls report, including an operational summary, Areas of Identified Risk, Risk Mitigation Recommendations, and an Enterprise Risk Assessment Framework. Staff agrees with the risks identified in the report and will work with the Consultant to implement these recommendations.

To streamline the process and follow the guidelines outlined in the Enterprise Risk Assessment Framework, staff will incorporate a summary of the City's annual risk assessment and any

resulting changes to control activities into its report to the City Council that will accompany the Annual Comprehensive Financial Report.

**FISCAL IMPACT**

There is no direct fiscal impact associated with accepting the City's Assessment of Internal Controls report.

Exhibit:

- Assessment of Internal Controls report