

**NORTH OGDEN CITY
AUDIT COMMITTEE
MEETING MINUTES**

May 25, 2023

The North Ogden City Audit Committee convened in the Council Chambers at 7:30 p.m. on May 25, 2023, at the North Ogden City Office at 505 East 2600 North. The meeting was also on Zoom. Recording can be found on YouTube: Recording can be found on YouTube: <https://www.youtube.com/channel/UCriqbePBxTucXEzRr6fclhQ/videos>. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on May 23, 2023. Notice of the annual meeting schedule was published in the Standard-Examiner on December 16, 2022.

Committee:

Phil Swanson	Committee Chairman	
S. Neal Berube	Committee Member	
Charlotte Ekstrom	Committee Member	
Thayne Shafer	Committee Member	(Virtually attended)
Randy Winn	Committee Member	
Susan Nance	Committee Member	

Staff:

Jon Call	City Manager/Attorney
Jami Jones	Finance Director

Visitors:

Ben Bailey
Chris Pulver

Chairman Swanson called the meeting to order, and Committee Member Winn offered the prayer and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. DISCUSSION AND/OR ACTION TO CONSIDER FEBRUARY 2, 2023, AUDIT COMMITTEE MEETING MINUTES

Committee Member Swanson motioned to approve the February 2, 2023, Audit Committee Meeting minutes. Committee Member Berube seconded the motion.

Motion passed unanimously.

ACTIVE AGENDA

2. PUBLIC COMMENTS

No public comments were made.

3. DISCUSSION ON THE QUARTERLY FINANCIALS

Finance Director Jones presented the third quarter of the year budget, beginning with the General Funds, Aquatic Center Funds, and Enterprise Funds. It was noted that the city is either at or below the 75% line for both revenues and expenditures and that the sewer funds are slightly higher due to higher-than-expected revenues.

The Mayor asked if the conservation efforts on water could contribute to the Service Fee Revenue total. The Finance Director stated she believed it was, and that the city is also dialing into revenues better. Committee Member Shafer asked if there are any concerns about revenues coming up short by the end of the year. The Finance Director answered no and explained that the funds presented are operation fees and do not include connection fees tied to building permits.

It was explained that by department, the General Fund Expenditures show that Licenses and Permits are significantly down, as well as charges for services, which include Planning and Zoning Fees. Finance Director Jones noted that the excess revenue in sales tax in addition to the anticipated interest earnings are balancing out the revenues. Interest earnings are low due to the budget amendment. Both the General Fund expenditures and revenues were broken down by quarter and discussed in detail.

The group then discussed the sales tax trends as of March 2023.

Truth in Taxation was a topic of conversation, and it was decided that the City Council will have further discussions of whether to hold a Truth in Taxation Hearing this year.

Finance Director Jones reminded the group about the fraud hotline that is available.

4. DISCUSSION ON FRAUD RISK ASSESSMENT

Finance Director Jones reminded the Committee about the States Auditor's Office required Fraud Risk Assessment that is to be completed by June 30th of each year. She noted that the Assessment is a good opportunity for the City to go in and reassess the internal controls and policies. She further detailed that by implementing a credit card policy, the City's fraud risk score would lower even farther into the "low risk" range. Committee Member Shafer commended the Mayor and the City staff for their efforts in lowering the fraud risk score and suggested that the City's great low score be highlighted in an upcoming Council Meeting to inform the public of that improvement.

Mr. Shafer asked the Finance Director to explain the mitigating controls North Ogden City is currently using. Mitigating controls in cash receding were explained and discussed to the Committee.

Finance Director Jones then discussed fraud risk goals, including switching to P-Cards and credit card policies. The suggestion was made to set a floor on the requirements for producing receipts to a minimum dollar. The implementation of a strict personal use of public funds policy was also suggested. The Finance Director said that she would follow up with the City's Auditor regarding the suggestions made.

Council Member Winn discussed last year's Truth in Taxation Hearing and the Citizen Budget Subcommittee that was formed due to the discussions held at that hearing. He said he felt it was a good response to a City reaction as well as a successful effort. He added that the members of that subcommittee have reported learning a lot and now

understand the intricacies of forming a City budget. Due to the knowledge, the Citizen Budget Subcommittee came up with several good ideas that have been presented to the City Council.

Mayor Berube agreed with Mr. Winn and noted the importance of transparency in North Ogden City.

5. PUBLIC COMMENTS

Chris Pulver, North Ogden resident, spoke on the large number of ideas that came out of the Citizen Budget Subcommittee. He explained that everything was written down and triaged prior to presenting the ideas to the City Council. Mr. Pulver stressed the importance of educating the public on property taxes. Energy costs and usage rates were also discussed.

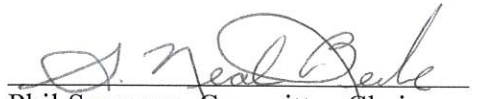
6. COMMITTEE MEMBERS/STAFF COMMENTS

No comments made.

7. ADJOURNMENT

Committee Member Eckstrom motioned to adjourn the meeting.

The meeting adjourned at 7:01 p.m.


Phil Swanson, Committee Chairman
S. Neal Benke


Joyce Pierson
Deputy City Recorder

December 21, 2023
Date Approved