PUBLIC NOTICE IS HEREBY GIVEN THAT THE AUDIT COMMITTEE WILL
MEET FOR A AUDIT COMMITTEE MEETING IN THE

Commission Chambers 125 East Center Street, Moab, Utah
August 18, 2025 - 9:00 AM

9:00 AM
Zoom: Join Zoom Meeting
https://us02web.zoom.us/j/81170720683?pwd=fU8CSb9JSkLwvY2jz9NZG5uzUeKa9t.1
Meeting ID: 811 7072 0683
Passcode: 337515

Grand County Utah Government Live on YouTube
Join the Zoom Meeting

Zoom And Youtube Meeting Information

Zoom Link: https://us02web.zoom.us/j/81170720683 Zoom Passcode: 337515

Citizens To Be Heard

We are receiving public comments online through zoom. Zoom Link: https://us02web.zoom.us/j/81170720683 Zoom Passcode: 337515 The meeting is also being live streamed on YouTube at https://www.youtube.com/@GrandCountyUtahGovernment

Call To Order

General Business - Action Items - Discussion And Consideration Of Approval

1. **Approval Of Minutes From July 7, 2025**

2. **Presentation And Recommendation To The Grand County Commission Of The 2024 Audit**

3. **Discussion And Approval Of Audit Charter**

4. **Approve Short And Long-Term Direction For Internal Auditor**

5. **Update On External Auditor RFP**

Closed Session(S) (If Necessary)

Adjourn

NOTICE OF SPECIAL ACCOMMODATION DURING PUBLIC MEETINGS. In compliance with the Americans with Disabilities Act, individuals with special needs requests wishing to attend Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees are encouraged to contact the County two (2) business days in advance of these events. Specific accommodations necessary to allow participation of disabled persons will be provided to the maximum extent possible. T.D.D. (Telecommunication Device for the Deaf) calls can be answered at:(435) 259-1346. Individuals with speech and/or hearing impairments may also call the Relay Utah by dialing 711. Spanish Relay Utah: 1 (888) 346-3162

It is hereby the policy of Grand County that elected and appointed representatives, staff and members of the Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees may participate in meetings through electronic means. Any form of telecommunication may be used, as long as it allows for real time interaction in the way of discussions,questions and answers, and voting.

At the Grand County Commission meetings/hearings and other Grand County Boards, Commissions, or Committees any citizen, property owner, or public official may be heard on any agenda subject. The number of persons heard and the time allowed for each individual maybe limited at the sole discretion of the Chair. On matters set for public hearings there is a three-minute time limit per person to allow maximum public participation. Upon being recognized by the Chair, please advance to the microphone, state your full name and address, whom you represent, and the subject matter. No person shall interrupt legislative proceedings.

Requests for inclusion on an agenda and supporting documentation must be received by 5:00 PM on the Tuesday prior to a regular Commission Meeting and forty-eight (48) hours prior to any Special Commission Meeting. **Information relative to these meetings/hearings may be obtained at the GrandCounty Commission’s Office,125 East Center Street, Moab, Utah; (435)259-1346.**

AGENDA SUMMARY

Audit Committee Meeting

Date: August 18, 2025

Title: Approval of Minutes from July 7, 2025

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

1. Audit Committee 07 JUL 2025

Audit Committee Meeting Jul 7 2025

Commissioners present; Bill Winfield, Brian Martinez, Jacques Hadler (online)

Also present were Julian Mecalf from GPP and Karen Kurtin from Forvis Mazars.

Called to order @ 9:00 am.

Julian introduced himself - internal audits, excited to work with Grand County. Julian asked about internal audit standards. GPP works with both standards, and noted the adaptability of either standard system. Julian noted the standards may be helpful to the County. If the County isn't interested in official audit standards, then the naming should be changed to something other than "audit." Perhaps if not aligning with official standards, then it could be called an analysis. Julian asked about the direction of the future internal audits.

Karen and Julian discussed the merits of different accounting standards.

Julian noted the standards are very similar, but GAGAS is generally more government-oriented, followed by some discussion about the different standards and setting up the report to

Motion by Martinez to have Julian Metcalf create standards and paperwork and have them ready for the next audit committee meeting.

Motion seconded by Winfield

Motion passes 3-0.

Julian asked about some of the risks the County may face in the immediate future.

Commissioner Martinez suggested restricted funds could be subject to stricter oversight and accounting through time.

Commissioner Winfield discussed HB 456 (2025), noting the need to come into compliance with the new legislation.

Karen discussed the revenue and expenses that TRT disbursements affect, and the way the accounting happens. Commissioner Martinez discussed the current situations, and Karen offered some accounting suggestions to perhaps improve cleaning up systems. Commissioner Martinez discussed the 2024 budget amendment and final adopted budget. Karen discussed the actual budget vs. amended budget. Julian discussed the budgeting process further. Karen noted the importance of monthly or quarterly financial reporting to the commission. Julian noted the importance of interim reports to help guide the commission.

Mark asked about how the internal audit will interact and inform the external audit, and put into place controls that will aid the county in both compliance and accuracy. Julian noted controls should generally be at the center of things, but that it varies by client. Julian noted the possibility of some overlap in the duties of the audit teams. Julian noted the external audit is more outward facing and the internal audit is more about managing and identifying risk.

Commissioner Winfield suggested the GPP approach seemed appropriate and acceptable.

Julian noted he'd draft an audit committee charter for the next meeting, which he'll try to attend in person. Julian discussed the risk assessment, and the importance of monitoring F23 and 47. Karen suggested looking at the accounting processes to receive and expense TRT in the accounting system.

Motion by Commissioner Martinez to ask staff to inquire of the Clerk/Auditor's office whether or not read-only access could be granted to a third party.

Motion seconded by Commissioner Hadler

Motion carries.

Jacques suggested Monday Aug, 4th at 10:30 am for the next meeting. General agreement.

Motion by Hadler to approve the minutes for the last meeting.

Second by Martinez.

Motion carries.

Discussion and consideration of external auditor RFP. Karen noted she'd sent a draft. Mark noted he'd like to see the RFP contain an option allowing respondents to include the Component Units as part of the proposal. Karen discussed the component units and which ones are audited vs. not audited. Commissioner Winfield noted the importance of non-audited components having a firm deadline that is before the County's deadline. Karen discussed the definition and intent of "Component Unit," offering some explanation. Karen will change the RFP to match County needs at this time. Some discussion around structuring the RFP appropriately to include Component Units.

Motion by Martinez to have staff post the RFP for the External Audit

Motion seconded by Hadler

Motion carries

Mark Tyner discussed the update of the External Audit for 2024, noting the need for a couple more component units - SWSSD and REC SSD. Some other notes and updates for the 2024 Audit. Commissioner Martinez suggested sending a response. Mark noted he'd get with the Clerk/Auditor and Larson to come up with some dates and responses for completion on the audit.

Commissioner Winfield adjourned the meeting at 10:16.

AGENDA SUMMARY

Audit Committee Meeting

Date: August 18, 2025

Title:	Presentation and recommendation to the Grand County Commission of the 2024 Audit	If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net	
Fiscal Impact:			
Presenter(s):		Department:	Commission Administrators Office
Legal Review:	Not Applicable	Approved and within budget?	Not Applicable
		Budget Number:	

Recommended Motion:

Background:

Financial statements will be made public after they are signed.

Attachments:

None

AGENDA SUMMARY

Audit Committee Meeting

Date: August 18, 2025

Title: Discussion and approval of Audit Charter

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

1. DRAFT Grand County Audit Charter

DRAFT Grand County Audit Charter

Introduction & Mission:
The Grand County Internal Audit function is established to provide independent, objective assurance and consulting services designed to add value and improve the County's operations. The mission of Internal Audit is to help ensure public funds are safeguarded and used effectively, to strengthen internal controls, and to enhance of the County's financial reporting and operations. Internal Audit assists Grand County in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

Authority:
The Internal Audit function derives its authority from the Grand County Commission (and Audit Committee). Internal Audit is authorized full, free, and unrestricted access to all of the County's records, files, information systems, physical properties, and personnel necessary to conduct audits. This access is granted under strict accountability for safeguarding confidentiality and sensitive information. All employees and officials of Grand County are expected to cooperate with audit requests and inquiries.

To ensure objectivity, Internal Audit has no direct authority over any activities it reviews and is not part of any department it audits. Internal auditors are not authorized to perform any operational duties for the County, initiate, or approve transactions external to the Internal Audit function, or direct the activities of any County employee outside of Internal Audit work. Internal Audit's role is strictly to examine, evaluate, advise, and recommend; management retains ownership of internal controls and operational decisions.

Independence and Reporting Structure:
The Grand County Internal Auditor (or contracted audit firm) shall function independently of County management. Administratively, the Internal Auditor reports to the County Commission (or its designated Audit Committee) and has direct access to the Audit Committee for all audit matters**.** This high-level reporting relationship ensures that the Internal Auditor can fulfill their duties without interference or undue influence. The Internal Auditor shall not report to nor be subject to control by any County department that they audit, including the Clerk/Auditor's office or Commission Administrator, to preserve independence. The Audit Committee will oversee the Internal Audit function's charter, plans, activities, and performance, serving as a liaison between the Internal Auditor and the full County Commission.

To maintain independence, internal auditors will adhere to the ethical principles outlined in the Generally Accepted Government Auditing Standards (GAGAS**)** as issued by the U.S. Government Accountability Office. If any situation arises that could impair the auditor's independence or objectivity **(**in fact or appearance), the Internal Auditor will disclose it to the Audit Committee and take appropriate steps to mitigate or avoid the impairment.

Professional Standards:
The Grand County Internal Audit function will conduct its work in accordance with Generally Accepted Government Auditing Standards (GAGAS) as issued by the U.S. Government Accountability Office. These standards (commonly known as the *Yellow Book*) provide a comprehensive framework for performing high-quality audits with competence, integrity, objectivity, and independence. Adherence to GAGAS includes requirements for auditor training, ethical conduct, audit planning, evidence, documentation, quality control, reporting, and periodic peer review. By following GAGAS, the Internal Audit function helps ensure its results are credible and can be relied upon by oversight bodies and the public.

If the Internal Audit function is performed by an external vendor, the vendor must ensure compliance with these standards. This includes covering the costs associated with their training and periodic peer reviews, unless the Audit Committee specifies otherwise.

Scope of Work:
The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the County's governance, operations, and internal controls over financial, compliance, and programmatic activities. Internal Audit's engagements may include any area of the County where risks or material exposures are identified. No function, entity, or program within Grand County is exempt from Internal Audit review. However, the Audit Plan will be risk-based, focusing audit effort on the areas of highest risk or importance each year.

Audit Planning:
Each fiscal year the Internal Auditor shall prepare a written, risk-based Audit Plan. In developing the plan, the Auditor will consider:

- Prior audit findings and known control deficiencies.
- Results of formal and informal risk assessments.
- Statutory or grant-driven compliance requirements.
- Input from the County Commission, Audit Committee, Clerk/Auditor, Administrator, and department heads.

The draft Plan will list every proposed engagement with a concise objective statement and an estimate of hours and direct cost for each audit or advisory project. The plan may also set aside a contingency block of hours for unanticipated high-risk issues that arise mid-year.

High-priority items, such as material weaknesses in treasury, cash handling, purchasing, or financial-statement preparation, will be scheduled in the first and second quarters of the fiscal year unless the Audit Committee directs otherwise.

The Internal Auditor may recommend Plan amendments if significant risks emerge (e.g., fraud allegations, regulatory changes). Amendments follow the same approval and funding steps as the original Plan.

The final, approved Audit Plan final will be considered a public record and treated accordingly

Approval and Funding

The Audit Committee shall review the draft Plan for coverage, risk alignment, and resource adequacy. The Committee may suggest reprioritization, additions, or deletions to address Commission concerns or emerging risks. Because the Internal Auditor does not have a standing departmental appropriation, no engagement may commence until the Audit Committee endorses the hours/cost estimate and the Commission (if required by ordinance or budget policy) appropriates or confirms the necessary funds.

Once approved, the Plan constitutes the Internal Auditor's authority to proceed. The Auditor retains discretion to re-allocate approved hours within the Plan when justified by fieldwork results, provided such shifts are reported to the Chair of the Audit Committee. Any increase in the total cost ceiling requires Committee approval.

Reporting and Monitoring:
For each audit engagement, Internal Audit will issue a written report at the conclusion of the audit. The report will include: the audit's objective, scope, and methodology; a summary of findings (e.g. any noted deficiencies, non-compliance, control weaknesses, etc.); and recommendations for corrective action or improvement. Management of the audited department or function will be given the opportunity to provide a written response to each recommendation, including whether they agree and a timeline for any corrective actions. These management responses will be included in or appended to the final audit report.

Completed audit reports will be addressed to the County Commission and Audit Committee, with copies to the County Administrator/Manager and the management of the audited entity. Significant findings (e.g. material weaknesses, instances of illegal acts, or high-risk issues) will be highlighted and communicated immediately to the Audit Committee, even before the final report if urgent. Audit results will be made available to the public after any confidential or legally protected information is removed, in compliance with applicable laws (e.g., Utah's GRAMA/Open Records Act).

If the Commission adopts a given recommendation from a finding, Internal Audit will later follow up on audit recommendations to evaluate whether management has implemented agreed-upon corrective actions and whether they are effective. These follow up actions will be included as proposals in subsequent Audit Plans.

Additionally, the Internal Auditor will provide the Audit Committee and Commission with an annual report summarizing the audits completed, major findings, significant identified risks, and the overall condition of the County's control environment. This report may also highlight Internal Audit's performance metrics (e.g. audits completed vs. planned) and any resource needs or limitations encountered.

Audit Committee Oversight:
The Audit Committee plays a key role in supporting Internal Audit's effectiveness. The committee is responsible for reviewing and approving the Internal Audit Charter (this document), reviewing/approving annual audit plans, and ensuring the Internal Audit function has

sufficient resources and access to perform its work. The committee will meet regularly with the Internal Auditor to receive updates on audit activities, discuss findings, and monitor management's response to issues. The committee also facilitates communication between the Internal Auditor and the full County Commission, especially on sensitive or significant issues. If the Internal Auditor ever experiences scope limitations, undue restrictions, or attempts to interfere with the execution of audits, the committee will intervene to resolve the issue and ensure the auditor can carry out duties free from interference.

The Audit Committee may include a subset of County Commissioners and potentially independent members (as authorized by the Commission) to provide additional expertise. The committee should collectively possess knowledge in public auditing, finance, and governance. No County employee under the supervision of those being audited should serve on the committee, in order to preserve independence. The Clerk/Auditor or other staff may attend meetings in an advisory (non-voting) capacity to provide information as requested.

Resources and Staffing:
If the Internal Audit function is provided via contract (outsourced to an audit firm), the contract shall clearly stipulate that the firm and its personnel have the same authority and independence as an in-house Internal Auditor. The firm's lead auditor shall function as de facto "Internal Auditor" for reporting purposes. All provisions of this charter apply to the contracted auditor. The selection, renewal, or termination of the internal audit services contract will be done by the County Commission, ideally with Audit Committee involvement, to ensure the contractor's continued objectivity and quality of service.

Quality Assurance and Improvement:
The Internal Audit function will maintain an active Quality Assurance and Improvement Program that covers all aspects of its operations. This includes internal reviews of audit work (e.g. supervisory review of workpapers and reports) and soliciting feedback from audited departments and the Audit Committee on the Internal Auditor's performance. In compliance with GAGAS, the Internal Audit function will undergo an external peer review at least once every three years. The peer review will be performed by a qualified independent review team and will assess the Internal Audit function's conformity with GAGAS in areas such as staff qualifications, audit planning, fieldwork, documentation, reporting, and overall effectiveness. The results of the peer review will be reported to the Audit Committee, and any recommended improvements will be addressed. If the Internal Audit function is provided via contract, the outsourced firm will manage and fund the external review using its own resource and existing quality assurance and improvement program.

The Internal Auditor will also ensure that audit policies and procedures are documented (e.g., in an internal audit manual) and updated regularly to reflect current standards and best practices. Continuous improvement efforts will include staying current with emerging public-sector risks, audit techniques, and relevant regulatory changes.

Adoption and Amendment of Charter:
This Internal Audit Charter is to be formally approved by the Grand County Commission, upon recommendation from the Audit Committee. It shall be reviewed periodically and updated as

needed. All changes to the charter must be approved by the Commission (with Audit Committee input). The charter shall be communicated to all departmental management to make them aware of Internal Audit’s role, authority, and standards.

AGENDA SUMMARY

Audit Committee Meeting

Date: August 18, 2025

Title: Approve short and long-term direction for Internal Auditor

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

None

AGENDA SUMMARY

Audit Committee Meeting

Date: August 18, 2025

Title: Update on External Auditor RFP

Fiscal Impact:

If this submission is from the general public you will need a commission sponsor, feel free to contact the Commission Administrators Office with any questions commadmin@grandcountyutah.net (435) 259-1342 or contact the Commissioners directly at commission@grandcountyutah.net

Presenter(s):

Legal Review:

Department: Commission Administrators Office

Approved and within budget?

Budget Number:

Recommended Motion:

Background:

Attachments:

None