



CITY OF NORTH SALT LAKE

**AUDIT COMMITTEE
MEETING NOTICE & AGENDA
September 16, 2025
5:00 P.M.**

Notice is given that the City of North Salt Lake's Audit Committee will hold a meeting on **September 16, 2025 at 5:00 p.m.** The meeting will be held in the Council Conference Room on the 2nd Floor of City Hall, 10 East Center Street, North Salt Lake, Utah.

Meetings of the Audit Committee may be conducted via electronic means pursuant to Utah Code Ann. §52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted in accordance with the City's Electronic Meetings Policy.

The following items of business will be discussed; the order of business may be changed as time permits.

AGENDA ITEMS

1. Welcome
2. Approval of Audit Committee Minutes of June 17, 2025
3. Review Draft Cash Handling Policy
4. Discussion on Golf Course Processes
5. Set Time and Agenda Items for Next Audit Committee Meeting
6. Adjourn

Audit Committee meetings are open to the public. If you need special accommodation to participate in the meeting, please call (801) 335-8709 with at least 24 hours' notice.

Notice of Posting:

I, the duly appointed City Recorder for the City of North Salt Lake, certify that copies of the agenda for the Audit Committee meeting to be September 16, 2025 were posted on the Utah Public Notice Website: <https://www.utah.gov/pmn/>, City's Website: <https://www.nslcity.org>, and at City Hall: 10 E. Center St. NSL.

Date Posted: September 15, 2025

Wendy Page

Wendy Page, City Recorder



1 CITY OF NORTH SALT LAKE
2 AUDIT COMMITTEE MEETING
3 COUNCIL CONFERENCE ROOM
4 10 EAST CENTER STREET, NORTH SALT LAKE
5 JUNE 17, 2025

6
7 **DRAFT**
8

9 COMMITTEE MEMBERS PRESENT: Brian Horrocks, Mayor; Suzette Jackson, City Council.

10
11 EXCUSED: Lisa Watts Baskin, City Council.

12
13 STAFF PRESENT: Ken Leetham, City Manager; Heidi Voordeckers, Finance Director.

14
15 OTHERS PRESENT: Steven Rowley, K&C CPAs.
16

17 1. WELCOME

18
19 Committee Member Horrocks welcomed those present and called the meeting to order at 5:04
20 p.m.
21

22 2. APPROVAL OF AUDIT COMMITTEE MINUTES

23
24 The Audit Committee minutes of March 18, 2025 were reviewed and approved.
25

26 **Committee Member Jackson moved to approve the Audit Committee minutes of March 18,**
27 **2025, as written. Committee Member Horrocks seconded the motion. The motion was**
28 **approved by Committee Members Horrocks and Jackson.** Committee Member Baskin was
29 excused.
30

31 3. FY 2024-2025 AUDIT-ENTRANCE INTERVIEW WITH K&C CPAS

32
33 Heidi Voordeckers introduced Steven Rowley with K&C CPAs and reminded the committee of
34 the commencement of the audit process in a few weeks.
35

36 Steven Rowley, K&C CPAs, spoke on a risk based audit approach based on the standards and an
37 overall look at the entity, processes and procedures, internal controls, and areas where potentially
38 errors could occur. He said that after review a customization of additional procedures could be
39 implemented to bolster any weak areas. He noted two areas of potential risk including revenue
40 recognition and management override of controls. He spoke on revenue recognition and

41 additional procedures to reduce risk related to revenues and receivables. Mr. Rowley
42 recommended additional testing for payroll, payables, and procurement related to internal
43 controls to reduce management override of controls. He mentioned working with the Audit
44 Committee on any concerns related to fraud, waste, abuse or potential errors.

45
46 Steven Rowley described other areas of review including inventory counts, audit procedures,
47 meeting minutes, bonds, loans, and leases. He mentioned a new standard GASB 101 related to
48 compensated absences standards.

49
50 Heidi Voordeckers questioned if any other Davis County entities were early implementers of
51 GASB 101. Steven Rowley replied that South Davis Sewer District and Bountiful City most
52 likely implemented that standard last year.

53
54 Heidi Voordeckers clarified that the change was related to sick leave banks and determining how
55 much may be utilized in an upcoming year. She said there were several ways to measure this and
56 the challenge was determining what would be the best way long term. Steven Rowley
57 commented that the standard was very wide and the suggestion was whatever made sense and
58 was repeatable year after year.

59
60 Steven Rowley reviewed the timeline for the onsite audit which would be based on when
61 information was received for property tax revenues, sales tax revenues, and contractor invoices.

62
63 Ken Leetham asked if the first time audit would be more complicated. Steven Rowley replied
64 that every entity was unique so there would be a learning curve for the first audit. He shared that
65 they had many years of experience as they audited over 50 government entities annually.

66
67 Heidi Voordeckers requested access for all the employees in the finance department to upload
68 information. She spoke on allowing ownership for the employees over accounts payable,
69 treasurer, payroll, and utility billing to respond to audit related requests.

70
71 4. REVIEW OF FINAL DRAFT OF PROPOSED UTILITY HARDSHIP POLICY

72
73 Heidi Voordeckers reported on the proposed utility hardship policy. She noted that staff had
74 made changes per the March 2025 Audit Committee meeting including the language of “legal
75 separation” to “separation” with substantiated evidence, added the extension for three months
76 with proof of continued need, and an appeals process for applicants that were denied. She spoke
77 on finalizing the draft today and reviewing the policy during the July 15th City Council meeting
78 to take effect July 1, 2025. She noted the utility rates would be billed on August 15th as it was
79 billed retroactively and the policy would be in place with the water rate increase.

80

81 Ken Leetham clarified that the proposed policy would be a 50% reduction of the bill for 90 days
82 with the potential for a second 90 day period. Heidi Voordeckers said there was an opportunity to
83 apply for the hardship again every 36 months.

84

85 Committee Member Jackson commented that the discussion included allowing for an extension
86 and reapplication after 36 months. She mentioned that as an incident could last longer than 90
87 days that the extension was a good compromise.

88

89 Heidi Voordeckers noted that the only other relief currently available was a discount on the water
90 utility bill for active military.

91

92 **Committee Member Horrocks moved to forward this to the City Council for approval.**
93 **Committee Member Jackson seconded the motion. The motion was approved by**
94 **Committee Members Horrocks and Jackson.** Committee Member Baskin was excused.

95

96 5. REVIEW ANNUAL FRAUD RISK ASSESSMENT

97

98 Heidi Voordeckers reported that the charter for the Audit Committee required the review of the
99 annual fraud risk assessment. She said the City remained in the lowest risk category and noted
100 the ways to improve the score including:

101

- 102 • An I.T. and computer security policy
- 103 • A cash receipting policy
- 104 • Establishing a formal internal audit function

105

106 Ms. Voordeckers spoke on the inherent difficulties with establishing a formal internal audit
107 function within a smaller city. She said as the Finance Director she could not perform an internal
108 audit and would need to hire an outside entity. She mentioned the potential for a reciprocal
109 agreement with other cities to perform this audit. She suggested implementing the cash
110 receipting policy which would be done by the City's Treasurer.

111

112 Committee Members Horrocks and Jackson questioned the efficacy of the City's I.T. company.
113 Ken Leetham replied that staff could setup a meeting with the I.T. company.

114

115 Heidi Voordeckers commented that the Local Government Trust also tracked data (IP addresses,
116 connections, servers) and reported instances of security concerns to the City. Ken Leetham
117 mentioned the City also had related insurance through the Trust.

118

119 Heidi Voordeckers mentioned that Jon Rueckert was working with the FBI on data security
120 related to the City's water systems.

121
122 Ken Leetham spoke on an issue at Clearfield City related to a cybersecurity breach and that
123 North Salt Lake had insurance related to this. He commented on sensitive data, theft, and that the
124 City paid for protection.

125
126 6. SET TIME AND AGENDA ITEMS FOR NEXT AUDIT COMMITTEE MEETING

127
128 Heidi Voordeckers noted that the audit would be completed in November. She said the Audit
129 Committee was currently required to meet quarterly per the charter.

130
131 Committee Member Jackson asked if there were mid audit reports that would need to be
132 reviewed. Steven Rowley replied that once the audit was completed there would be an exit
133 review in November.

134
135 Ken Leetham said any updates on the end of the fiscal year would be presented to the City
136 Council.

137
138 Heidi Voordeckers suggested that the Committee could review an I.T. and computer security
139 policy, a cash receipting policy, and other policies that may need to be updated.

140
141 Ken Leetham mentioned also reviewing the Golf Course related to retail operations. Heidi
142 Voordeckers spoke on all the point of sales systems at the Golf Course including the event center,
143 Café, Pro Shop, and golf.

144
145 The Committee determined the next Audit Committee meeting would be held September 2,
146 2025.

147
148 7. ADJOURN

149
150 The meeting was adjourned at 5:40 p.m.

151
152 *The foregoing was approved by the Audit Committee of the City of North Salt Lake on September*
153 *16, 2025 by unanimous vote of all members present.*

154
155
156
157 _____
Brian J. Horrocks, Chair

_____ *Wendy Page, City Recorder*



CITY OF NORTH SALT LAKE FINANCE DEPARTMENT

10 East Center Street
North Salt Lake, Utah 84054
(801) 335-8700
(801) 335-8719 Fax

Brian J. Horrocks
Mayor

Heidi Voordeckers
Finance Director

MEMORANDUM

TO: Audit Committee Members Horrocks, Baskin, and Jackson

FROM: Heidi Voordeckers, Finance Director

DATE: September 16, 2025

SUBJECT: Review of Draft Cash Handling Policy

BACKGROUND

Effective internal controls and proper segregation of duties is fundamental to maintaining a successful internal audit program. While the City's internal audit function is still somewhat informal, establishing appropriate policies is one of the best ways smaller governments can improve oversight of the City's financial functions. While the City utilizes several policies to accomplish this, such as the procurement ordinance and ethical behavior pledge, one area that has been lacking is formalizing the cash handling function.

SUMMARY

Following careful review of the City's various cash collection points, the City Treasurer (with assistance from the Finance Director) prepared the attached draft Cash Handling Policy. The policy intends to be broad enough to identify key controls that must be present in any cash handling process, while allowing step-by-step procedures to be specific to the department/area.

Keep in mind that the policy defines cash as "currency, coins, checks, electronic fund transfers, payment card transactions, and negotiable instruments received the City in-person, by mail, or electronically". Because the City provides unique services, multiple Point of Sale (POS) systems are established to track and collect fees and revenues, as listed below.

Admin Building

- Admin: CASELLE, XBPAY, CITY INSPECT
- Court: CORRIS
- Parks/Rec: FORTE

Golf Course

- Café/Events Center: TOAST
- Driving Range: CARDPOINT
- Pro Shop: MEMBER SPORTS (was LIGHTSPEED), STRIPE, SQUARE

Receipt transactions recorded in these systems are eventually deposited into one of the City's many bank accounts. These must be reconciled by the Finance Director each month, and include:

- Admin: ZIONS OPERATING, ZIONS SWEEP, PTIF
- Court: KEY BANK, HEARTLAND
- Debt Service: US BANK ~ 9 accounts for the five debt issuances
- Golf: KEY BANK

At the highest level, internal control over cash reporting is accomplished by separating management oversight of the two areas: The City Treasurer oversees how funds are collected and processed, and the Finance Director reconciles the banking activity to the various collection systems to ensure funds received are deposited to the bank. Meanwhile, many more City employees are responsible for assisting City customers and processing items for payment.

While collection procedures may vary across functional area, key controls that must be present are identified in the draft cash handling policy, including:

- Segregation of duties
- Restriction of currency and coin payments when practical
- Limiting access to safes and cash drawers
- Requiring daily "till" close out and reporting
- Employee responsibility to report discrepancies and suspicious activity

Staff is seeking feedback from the Audit Committee on the attached draft, with the intention of presenting the final policy to City Council for formal approval. Once the policy is in place, the City Treasurer and Finance Director will begin training applicable staff on proper cash handling and may audit existing department cash procedures for compliance and update, as needed.

Attachments:

- 1) Draft Cash Handling Policy



CITY OF NORTH SALT LAKE

Cash Handling Policy

PURPOSE

To ensure the secure, efficient, and transparent handling of cash in all financial transactions within the City, and to safeguard public funds against risk of loss, theft, or misuse.

SCOPE

This policy applies to all city employees, board and committee members, contractors, and volunteers who handle cash in the performance of their City functions.

RESPONSIBILITIES

- **Finance Department:** Oversees policy compliance, conducts audits, provides training, and assists departments with developing procedures and controls consistent with this policy.
- **Department Heads:** Ensure their teams follow procedures, prepare daily reconciliations, and report discrepancies and suspicions of fraud immediately.
- **Authorized Cash Handlers:** Use due diligence in accurately processing, securing, and reporting cash transactions.

DEFINITIONS

- **Cash.** Currency, coins, checks, electronic fund transfers, payment card transactions, and negotiable instruments received by the City in-person, by mail, or electronically.
- **Cash handling.** As used in this policy, describes the receiving, transmitting, safeguarding, and/or deposit of City funds of any type.
- **Control Measures.** Additional steps and review that may be taken when unable to achieve full segregation of duties.
- **Segregation of Duties.** Procedure development such that no single person handles a transaction from beginning to end, including:
 - 1) authorization and approval of transactions,
 - 2) recording of transactions,
 - 3) custody of funds to be deposited, and
 - 4) monitoring to ensure compliance with control procedures.

CASH COLLECTION PROCEDURES

- Cash must be collected by authorized City personnel who are familiar with and have been trained on this policy.
- All payments must be recorded immediately in an official cash receipting or Point of Sale (POS) system.
- The City strictly prohibits the collection of funds through Peer-to-Peer Payment Applications such as Venmo, Cash App, PayPal, and Apple Pay.
- A receipt must be provided to the payer at the time of the in-person transaction. Receipts may be provided electronically with the approval of the payer.
- All cash collected must be stored in a secure area during business hours and stored in a locked safe during non-business hours.

CASH STORAGE & SECURITY

- At the end of each business day, cash must be placed in a secure safe.
- Access to safes and drawers should be limited to designated personnel, and safe combinations should be limited to the smallest number of individuals feasible.
- An individual assigned a unique access code to a cash safe, cash drawer, or point of sale system shall not share this code or allow it to be used by other City personnel.
- Where practical, security cameras should be installed in all cash handling areas.
- Cash should never be left unattended in public areas.

CASH RECONCILIATION

- Designated personnel in each department are responsible for reconciling their till to the Daily Cash Reports and reporting those items to the City Treasurer.
- All payment types (cash, check, card) must be recorded and balanced against the daily activity.
- Any discrepancies, including use of improper tender types, must be reported to the Finance Director for further investigation immediately.

DEPOSITS

- The City Treasurer will prepare and make deposits to the City’s authorized bank account as prescribed by the Utah Money Management Act, and not more than three business days after department receipt.
- A copy of the deposit slip and corresponding Daily Cash Reports shall be retained by the City Treasurer for record-keeping and audit purposes.

MONTHLY BANK RECONCILIATION

- The City Finance Director is responsible for reconciling the monthly bank statements to the City’s general ledger, point of sale systems, and deposit records.
- Discrepancies between bank activity and the City’s financial systems records must be investigated, documented, and resolved promptly.

INTERNAL CONTROL MEASURES

- Segregation of duties is maintained by assigning daily reconciliation and deposit preparation to the Department Heads and Treasurer, while assigning monthly bank reconciliation to the Finance Director.
- All records related to cash receipts, daily reports, and deposit slips shall be retained following the City’s records retention policy.
- Surprise cash counts may be conducted periodically by the Finance Director, Treasurer, or an independent staff member to ensure accuracy and compliance.
- Where possible, the City shall limit the use currency and coin as payment when Treasurer oversight cannot be guaranteed.

TRAINING

- All authorized personnel must undergo cash handling training.

SUSPICIOUS ACTIVITY

- Any employee that suspects or identifies instances of fraudulent activity should report this immediately to their department head or the City Manager.
- All reports of suspicious activity must be researched by the City Manager, Finance Director, or external auditing firm.

POLICY VIOLATIONS

- Violations may result in disciplinary action, as outlined in the City of North Salt Lake Employee Handbook.