

MOAB CITY AUDIT COMMITTEE MINUTES
REGULAR MEETING
January 22, 2025

The Moab City Audit Committee held its Regular Meeting on the above date in Council Chambers. Archived audio is at www.utah.gov/pmn and video is at <https://youtube.com/live/TOoztPSaHZ8>.

Regular Meeting Attendance and Call to Order:

Chair Michael Black called the meeting to order at 10:00 a.m. Committee Members Tawny Knuteson-Boyd, Jennifer Williams, and Didar Charles were in attendance. Ron Stewart of Gilbert & Stewart, auditors for the City of Moab, participated via electronic means. Also in attendance were Recorder Sommar Johnson, Human Resources Director Danielle Guerrero, and City Treasurer Marcy Mason. There were no members of the public in attendance.

April 2, 2024, Regular Minutes –Approved

Motion and Vote: Committee member Charles moved to approve the ***Minutes***. Committee Member Williams seconded the motion. The motion passed unanimously.

Review and Recommendation to the City Council of the Draft Annual Audit and Accompanying Draft Management Letter –Approved

The committee discussed the draft annual audit and accompanying management letter with Ron Stewart from Gilbert and Stewart, the city's contracted auditor. Ron presented their findings on the city's financial statements, internal controls, and compliance with state regulations. Key points included:

1. **Financial Statements** – The auditors confirmed that the city's financial statements are materially correct, meet accounting standards, and received an **unmodified (clean) opinion**, the highest rating.
2. **Internal Controls** – No deficiencies were found in the city's internal controls. Procedures were evaluated through interviews and transaction reviews, confirming their effectiveness.
3. **State Compliance** – Two areas of non-compliance were identified:
 - **Budgetary Compliance** – Some departments exceeded budgeted expenditures. The recommendation is to monitor budgets closely and amend them when necessary.
 - **General Fund Allocations** – Overhead transfers from utility funds were not properly budgeted. Future budgets should clearly reflect these allocations.

The committee discussed possible corrective actions, including a budget amendment process at year-end to address potential overages. Additionally, a clerical update was noted regarding the city's health insurance provider listed in the audit report.

Motion and Vote: Committee member Charles moved to recommend forwarding the draft audit and management letter to the city council with a correction that the City's health insurance provider be updated to Select Health. Committee member Williams seconded the motion. The motion passed unanimously.

Adjournment: Chair Black adjourned the meeting at 10:20 a.m.

APPROVED: _____
Michael Black, Chair

ATTEST: _____
Sommar Johnson, City Recorder