

**NORTH OGDEN CITY
AUDIT COMMITTEE
MEETING MINUTES**

April 28, 2022

The North Ogden City Audit Committee convened only electronically on Zoom at 6:00 p.m. 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 April 21, 2022. Notice of the annual meeting schedule was published in the Standard-Examiner on December 16, 2021.

Committee:

Phil Swanson	Committee Chairman	
S. Neal Berube	Committee Member	excused
Charlotte Ekstrom	Committee Member	
Thayne Shafer	Committee Member	arrived at 6:02 p.m.
Randy Winn	Committee Member	
Susan Nance	Committee Member	

Staff:

Jon Call	City Manager/Attorney
Jami Jones	Finance Director

Visitors:

None

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 17, 2022, AUDIT COMMITTEE MEETING MINUTES

Committee Member Winn motioned to approve the February 17, 2022, Audit Committee Meeting minutes. Committee Member Shafer seconded the motion.

Motion passed unanimously.

ACTIVE AGENDA

2. PUBLIC COMMENTS

There were none.

3. DISCUSSION ON QUARTERLY FINANCIALS

Jami Jones, Finance Director, presented updates on the building construction permits and how these budgetary changes were reflected within the General Fund. In addition to quantity of permits, the valuation of the permits was increasing as well. The revenue was coming in at 70 percent. The majority of governmental revenue was the B & C Road monies. The City had received four out of the six allotments, and Ms. Jones anticipated the City would come in over budget (anticipated budget was \$800,000 but it was likely going to be closer to \$900,000). Ms. Jones reviewed the recreation budget and amphitheater revenue, the latter of which was too early to calculate based on the time of year. She also detailed miscellaneous revenues and expenditures, as well as contributions to transfers.

Ms. Jones explained that there was a significant administrative offset. The budget itself was \$77,000, and because of the offset it appeared that only \$20,000 was spent. She said she wanted to make sure the allocation of salaries was in the proper fund, and would assess this area more. Ms. Jones then detailed the budget for the Aquatic Center.

Regarding the storm drain fund, the question was asked if the revenues and expenditures were typical seasonality. Ms. Jones guesstimated in the affirmative, but said she would research the matter to verify the answer.

Ms. Jones presented seven month's worth of collections, stating that the City was 20% higher than the budget (approximately \$460,000). There was a discussion regarding COVID funds and sales tax revenues throughout the pandemic. The Committee also discussed the potential for a recession in 2023.

Ms. Jones reported that the Finance Department was entering the end of the budget season. She reviewed the upcoming timeline for approving the final budget for the next fiscal year. There was further discussion of miscellaneous revenue line items.

4. **DISCUSSION ON FRAUD RISK ASSESSMENT**

Ms. Jones stated that last year the City's points were at 320, which is the low category. This year, the City is now at 370 which is the very low category. With the fraud hotline, the City was able to pick up 2I, which is the cash receiving and deposits policy. Regarding 2F, Ms. Jones said she believed this was in the City's purchasing policy; however, it was not. She explained that this change could possibly be done before the report has to be turned in by June 30th. The City picked up number four, the ethics policy, and training would be happening in May. The Mayor also completed formal education, which added to the City's overall score. Ms. Jones said North Ogden City would likely never meet number eight, which was an internal audit function that typically only larger cities were able to supply.

The Committee asked about the separation of duties addendum and questioned if the City was working on item number two from that document. Ms. Jones responded that North Ogden had mitigating controls, as well as County support. She explained that the treasurer was no longer under the finance director as one such mitigating control. Additionally, the City's accountant conducts daily cash balancing, and there are separate people to take deposits to the bank and do the reconciliation. There was subsequent discussion for ways to further improve upon the City's separation of duties.

5. **PUBLIC COMMENTS**

There were none.

6. **COMMITTEE MEMBERS/STAFF COMMENTS**

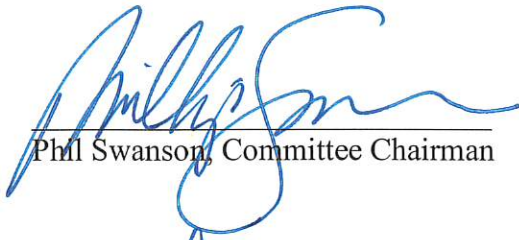
There were none.

7. **ADJOURNMENT**

Committee Member Ekstrom motioned to adjourn the meeting. Committee Member Shafer seconded the motion. All in attendance voted in favor.

The motion passed unanimously.

The meeting adjourned at 6:43 p.m.



Phil Swanson, Committee Chairman



Susan L. Nance, CMC
City Recorder/Committee Member

August 25, 2022

Date Approved