

## CACHE COUNTY AUDIT COMMITTEE

February 1, 2024 at 2:00 p.m. – County Council Conference Room, 199 N Main St. Logan, UT

**MEMBERS PRESENT:** Chair Karl Ward, Councilmember Barbara Tidwell, Citizen Representative Alan Allred,

**MEMEBERS EXCUSED:**

**STAFF PRESENT:** Councilmember David Erickson, Dirk Anderson, Maggie Thatcher, Micah Safsten, Taylor Sorensen, Craig McAllister

**OTHER ATTENDENCE:**

**Call to Order – Committee Chair Karl Ward (4:11)**

**Discussion Items (4:35)**

**1. Report on the Annual External Audit – Jones Simpkins**

Maggie Thatcher discussed the proposal handout. The estimate for this year is slightly higher than last year which is to be expected. **(4:50)**

Councilmember Barbara Tidwell asked how many years Jones Simpkins has been doing the audit. After discussion it was estimated to be about a decade. **(5:18)**

Councilmember Karl Ward discussed how there are few county firms that will take on a government accounts. He said that he has seen no concerns in the 8 years he has worked for Jones Simpkins. **(5:35)**

Councilmember Barbara Tidwell asked if they had received bids from any other companies. Councilmember Karl Ward responded that the committee had previously discussed keeping Jones Simpkins for one more year and next year looking into bids. **(7:26)**

Maggie Thatcher reiterated that finding firms that will take on government accounts is a nationwide problem and suggested not creating policy that required changing firms. **(7:40)**

Councilmember Barbara Thatcher asked if anyone had any concerns about staying with Jones Simpkins after next year **(8:35)**

Taylor Sorensen responded that we don't know what we don't know. New eyes may uncover new things in the audit, therefore it would be beneficial to look into other firms **(8:46)**

Alan Allred agreed, stating that the state's audit office has encouraging changing firms about every 5 years. He also said that it's good to stay with a firm that you are comfortable with but every 5 years should have an RFP. **(9:13)**

Maggie Thatcher said the main point of the year-end audit making sure financial statements were presented correctly. Alan Allred disagreed stating there were many more requirements. Councilmember Karl Ward added that the audit ensured that the county is in compliance. **(9:46)**

Councilmember Barbara Tidwell asked about timing of the audit. Councilmember Karl Ward said by the end of October/November. Maggie Thatcher said she has a meeting with Jones Simpkins in April and will have a better timeline then. **(10:30)**

Chair Karl Ward asked if everyone was comfortable moving forward with Jones Simpkins for the audit. **(11:23)**

Motion made by Alan Allred to recommend to the county council to sign the contract with Jones Simpkins. Seconded by Councilmember Barbara Tidwell. **(11:32)**

**Motion Passes (11:49)**

Councilmember David Erickson asked what more the committee could be looking at so that when things are presented to the County Council they mean more (i.e. financial statements). He recommended it be an action item on future meetings **(12:06)**

The Audit Committee discussed when the committee should receive financial statements to have time to review the documents before they meet. **(12:40)**

Maggie Thatcher said that most of the financial statements are completed around the 10<sup>th</sup>-13<sup>th</sup> of the month. **(14:04)**

The Audit Committee discussed the importance of the audit committee reviewing the financial documents to better present to the County Council **(14:41)**

Craig McAllister explained his process reviewing and approving financial statements. **(18:25)**

Councilmember David Erickson asked how the committee knew how to do the different approvals/procedures (i.e. by policy?) **(21:56)**

Craig McAllister and Maggie Thatcher explained that the finance dept was seeing the approval from dept heads before checks were being cut. **(22:23)**

Dirk Anderson explained how there are different rules for ARPA and victims of crime payments. He has also talked with Alma about the possibility of requiring the signing an agreement and providing receipts when gift cards are used for those payments. **(23:11)**

Councilmember Barbara Tidwell said that the county needed set procedures & policies. **(25:00)**

Dirk Anderson agreed, suggesting that there should be a book with policy laid out. **(25:20)**

Alan Allred added that policy needed to be broken down for each dept. Each department should still be looking for discrepancies every step of the way. **(25:50)**

Taylor Sorenson asked if there was a way to separate recurring payments vs changing payments. **(27:35)**

Alan Allred said that was why it was important to compare to previous months and years. **(28:13)**

Micah Safsten agreed, adding that way it is known that money is being spent on what it is supposed to be sent on. **(28:38)**

Alan Allred added the importance of verification and having set policies in place. **(28:48)**

Councilmember Barbara Tidwell agreed, adding the importance of training on policy. **(29:11)**

Councilmember Barbara Tidwell asked Craig McAllister if his sheet that he receives for approvals has details or just amounts. He answered that it just had amounts and some detail. **(29:50)**

Maggie Thatcher said that the county is lacking when it comes to approvals **(30:19)**

Councilmember David Erickson said that he would like to get a system in place where every dept can confidently say that they know how money is being spent. **(30:31)**

Alan Allred said that is why it is important to have internal control. **(31:04)**

Maggie Thatcher said that the county is relying too much on expenses being reviewed after. When she worked at USU, there was a lot more checkpoints that happened before approval. **(31:27)**

Councilmember Karl Ward asked Maggie Thatcher if she would write up an expense approval plan similar to USU's that would benefit the county. **(32:16)**

The Audit Committee discussed more about the importance of getting policy in place so that there are more checks and balances. Problems need to be caught before the audit. Policies are there to protect everyone. **(33:19)**

Maggie Thatcher said that she has never seen so few expense categories. For example: too many expenses end up in office supplies, instead of furniture or staff appreciation. **(37:34)**

Dirk Anderson added that his review with travel, each department is reporting it differently. **(37:49)**

Taylor Sorenson said how important it is to have proper categorizing in regards to creating budgets. **(38:06)**

Maggie Thatcher discussed thinking about the intent of the budget. Instead of focusing on line item budgeting, taking a philosophical approach to decide the best choice for the county. **(38:38)**

Alan Allred suggested that the new Auditor could provide training for that. **(39:35)**

Dirk Anderson said that most counties are doing line item budgeting. He values line item budgeting. **(39:51)**

Maggie Thatcher said line item budgeting works but it's important to make practical business decisions within the budget. To not spend the money simply because it is budgeted, even when the item is no longer needed. **(41:19)**

Dirk Anderson asked if the County Council would prefer the money just being spent or having dept heads go before the council to discuss reallocating the money to a different line **(41:38)**

County Councilmembers agreed that would prefer the discussion. **(42:07)**

Dirk Anderson said that's what he envisioned happening, if there is a problem in the budget bringing it before the county council to reallocate the funds. He added that other counties that run similar to Cache County, it is normal to have healthy tension when it comes to the budget. He also greatly appreciated the discussion, saying how vital it was to help the County to improve. **(42:15)**

Maggie Thatcher said it's important to start with the line so you don't settle for the same budget as the previous year. **(45:11)**

Councilmember Barbara Tidwell said that they received multiple budgets that just went off of last year's budget. **(45:41)**

Dirk Anderson agreed, saying that's the weakness of budgeting. The strength of budgeting is showing where the dollars are supposed to go. **(45:48)**

Councilmember Karl Ward discussed how other county governments in Utah hire a manager vs electing an executive. He believes that within Cache County the executive should be like a manager not another form of government, which is how the position was designed to be. **(45:58)**

Councilmember Karl Ward continued that he sees the importance of line item budgeting but he likes the idea of each dept starting with a fresh slate and not basing it off of last year. **(50:00)**

Councilmember Barbara Tidwell asked where the committee should start to help better the process. **(51:19)**

Micah Safsten said that the county has been working on this over the past year, with the reorganizing of the finance dept. Anyone on the Audit Committee that has recommendations should suggest them, as long as they do not contradict current code. **(51:35)**

Maggie Thatcher said that some of the code still needs to be updated as some still says Finance Director when there is no Finance Director. **(52:19)**

Councilmember David Erickson suggested starting with a flow chart. One of how things are currently being ran and another with how things should ideally be ran. **(52:38)**

Chair Karl Ward asked Maggie if she could create one by the next meeting. She said she would see what she could come up with. **(53:10)**

Councilmember Barbara Tidwell asked Maggie if she thought the councilmembers should attend the Netsuite Training to help make the decision. **(53:52)**

Maggie Thatcher responded that it should be a two part decision. First being if the system is an improvement and second being how implementation would go. She added that there will be a zoom option available. **(54:11)**

Dirk Anderson said he hopes that Netsuite will be able to do some of the signoffs within the system. **(55:17)**

Maggie Thatcher said that Google Forms has the ability to do signoffs, if systems are in place to keep things from falling through the cracks such as 1099s. **(55:25)**

Councilmember Barbara Tidwell asked how many 1099s the Finance Department processes each year. Maggie estimated over 100. **(56:24)**

Councilmember Barbara Tidwell asked about a line item in Caselle stating payment was for helping Rodeo participants with Tax preparation. No one knew for certain so Barbara was going to look for it again to do more research. **(56:47)**

Councilmember Karl Ward asked if the w-9 had a spot for the business to check that they are a corporation. Maggie thought there was. **(57:43)**

The Audit committee discussed how the Finance Department had more permissions than the County Council within Caselle which is how they feel it should be. Maggie Thatcher said if there were any questions about Caselle, she could definitely help. **(58:18)**

**Next Scheduled Meeting** – February 15, 2024 at 2:00 PM

**Adjourn** – Approximately 3:00 p.m. (1:00:11)