

## CACHE COUNTY AUDIT COMMITTEE

July 18, 2024 at 2:00 p.m. – County Council Conference Room, 199 N Main St. Logan, UT

**MEMBERS PRESENT:** Chair Karl Ward, Councilmember Barbara Tidwell, County Executive David Zook, Councilmember Sandi Goodlander, Citizen Representative Alan Allred, County Treasurer Craig McAllister

**MEMEBERS EXCUSED:**

**STAFF PRESENT:**

**OTHER ATTENDANCE:** Dirk, Phil, Micah, Wes, Alma, Brittany

**Call to Order** – Committee Chair Karl Ward

### Action Items

**1. Approval of Minutes 0:01**

**Action:** Motion made by Alan Allred to approve the minutes from April 22 and May 23 as amended; seconded by Councilmember Sandi Goodlander

**Motion passes.**

### Discussion Items

**1. Presentation of the 2023 External Audit Report – Jason Sleight, Jones Simkins**

0:53 Karl welcomed Jason to review the Audit Report. 1:31 Jason began and thanked the finance team for their effort. He explained different levels of reporting in government can make things difficult and the auditor's purpose is to obtain reasonable assurance that financial statements are accurate and to provide opinion. He explained there are multiple opinions for different areas within the financial statements and funds and each can give different or no opinions. He reviewed balance sheet that covers entity wide statements and noted something different is an adoption for a new standard called GASBY – 96 for the use of software. He noted no issues with this first report and everything but the ice arena was audited. 8:41 Jason moved to the next report and talked about internal control over financial reporting and compliance. 9:42 Wes clarified this is typical to check for worst case scenarios and to test more. 10:13 Jason answered yes this is to help with internal controls. Jason continued with financial statements of federal funds and said the programs for WIC, immunizations, AARPA, and Health Disparities were tested. Jason next talked about requirements to test controls for federal funds and if there was non-compliance. He said because of the high turnover there wasn't really any way to not have significant deficiency on controls and this is addressed to show that in the findings. He commended Brittnay for her work. 17:25 Wes clarified no fraud was identified. 17:39 Jason confirmed no and continued with the process to gather findings. He spoke to transactions over \$25,000 that whoever is contracted with must not be suspended or debarred per federal law. He said a policy needs to state certification or an internal check needs to be done that they are approved. 20:07 Craig McCallister said the tax notice will run more than that and asked if he should be aware of this. 20:16 Jason answered this is strictly federal funds. 20:20 Wes added conversation has happened for example Alma who is grant manager needs to sign off on reviews before he gives it to another analyst. 21:35 Jason said the expenditures did not match what happened and it is most likely driven from the reporting time requirement of the coronavirus grant being so short. 22:13 Wes said the records were correct but what was submitted in the document were not. Jason ended the explanation of the financial statements.

23:10 Jason moved to a Utah state compliance supplement report that was created to ensure the county is following state statute. He said the county has not submitted the fraud assessment on the county website and he understood that turnover is a big reason. 24:04 Wes answered it is completed and will be presented to council. 24:14 Jason explained it would be an automatic material error for state compliance and understood turnover was a big reason. He moved on and said he, and other audit firms have not been as strict on state compliance notices for public meetings and explained the code requirements. 25:48 Taylor Sorenson read the codes for county and state and clarified the minutes needing to be published. 27:21 Jason said that is fine but advised against making something public that doesn't need to be. 27:26 Taylor said county

code should be changed to read private. 27:35 Jason said compliance is still not being followed because the minutes were not posted on time. 28:15 Wes said certain committees should have privacy. 28:58 Jason said the issue is widespread of minutes not being posted timely. 29:24 Wes responded the Clerk's office would probably manage the process. 29:32 Micah explained how the minutes are posted. He said there is a private contractor for other meetings the clerk is not as involved in and the county is trying to centralize that. 30:17 Jason said to do what the county needs to do in order for the minutes to be posted on time to comply. 31:02 Wes said more meetings can be open in public as long as requirements are met. 31:19 Micah asked if this is specific to the state website. Jason answered the Utah Public Notice. 31:38 Citizen Allen Allred clarified what Jason meant with requirement and what a violation would be. 31:57 Jason said an auditor would most likely argue if the meeting was designated as public. Jason, Micah, Wes, and Allan all discussed. 33:05 Councilmember Sandi Goodlander exited the meeting. 33:48 Jason continued the County is in great shape and has excess general funds. 34:18 Wes said a capital project fund can be created and monies transferred before the end of the year. 34:30 Jason said he is not worried. 34:49 Wes asked how property taxes are held. 34:59 Jason said up to a year or so if funds are available. Wes said he would talk with council to move monies to a capital projects fund. 35:16 Citizen Alan Allred asked if it is possible to encumber within the general fund. 35:27 Jason answered it would need to be out of the general fund. He said the audit went very well and needs the corrected action plan of findings on County letterhead to go with the financial statements. 36:13 Wes said he has the response however the process needs to be thought through and may change. 36:52 Jason asked if Phil will put the reports together. 37:01 Wes answered yes and asked if copies would be provided. 37:06 Jason answered copies are usually done internally. 37:58 Wes thanks Jason and said he wanted to digest the findings before presented to council. 38:12 Jason said he can be as specific as needed. 38:26 Chair Karl Ward said to mention public meeting notices and the minutes issue ties a lot into turnover. 38:53 Jason said last year in a previous meeting a council member was upset about not being told of something similar. 39:18 Britteny said it was the finding that procurement policy was not followed. 39:33 Micah asked Wes and Jason if he could talk with some councilmembers and hear their questions first on the minutes issue instead of raising it in a public meeting. 40:29 Jason said his approach can customize to what the message is. 40:50 Chair Ward mentioned to point out the turnover as the root cause. 41:02 Dirk added the message is we are healthy and we have a reserve. 41:25 Micah said to plan ahead since a similar issue is happening in North Logan City that can be perceived by the public as happening in Cache County. 41:48 Wes said the committees need to be looked at and determined if they are open as public and if they should be. 42:12 Micah said if there is consensus from council wanting to clarify what committees are public and not he believed council would want to have that conversation then. 42:37 Jason said the attorneys would go to the state if there is a divide. 42:52 Wes offered to move the meeting for more time. 43:00 Discussion was held when to hold next meeting. 44:28 Meeting adjourned

#### **Next Scheduled Meeting –**

**Adjourn –** Approximately 3:20 p.m.