

COLUMBUS AD HOC COMMITTEE ON FINANCIAL POLICIES
COLUMBUS CITY HALL
February 11, 2016

Committee Chairman Thom called the meeting at 6:04 p.m.

Roll Call: Rule, Thom, Melotte, and Royem. Also present: City Administrator Vander Sanden, Clerk Donahue, and Finance Director Manley. Excused: Crombie, Reid, and Clark.

Amanda Bloomberg, Columbus' auditing representative from Baker Tilly was also in attendance to provide information.

Thom announced that the notice for the meeting has been posted according to Wisconsin State Statutes.

Motion made by Royem, second by Rule to approve the meeting minutes for January 14, 2016. Motion carried on a voice vote.

Motion made by Rule, second by Royem to approve the Agenda. Motion carried on a voice vote.

New Business:

Amanda Bloomberg presented information on the annual City Audit. She focused on the comments and recommendations that Baker Tilly makes to the City in the audit report.

Audit comments and policies:

- 1) Audit is required
- 2) Audit is an assessment of City's internal controls. Baker Tilly does not audit controls, but comments on deficiencies and controls
- 3) Audit deficiencies/standards
 - a. Material misstatements (adjust due to deficiencies)
 - b. Deficiencies
 - c. Control deficiencies

Key comments:

- 1) Internal Control over Financial Reporting Environment -Standards/American Institute of Certified Public Accountants (AICP)
 - a. City does not have adequate staff to address these issues. The standard for Columbus is the same as a huge municipality or a large corporation. These issues do not generally raise concern – typical of smaller environments. Baker Tilley helps communities like ours on these kinds of issues.
- 2) Internal Control Environments
 - a. All the financial controls. Need significant process with key controls. Baker Tilly tests them. In Columbus, control issues are related to segregation of duties. These are issues relating to size of the organization. The duties should be separated by various staff. For example, control of cash, processing transactions and then reconciliation of these transactions.
We will always have a “segregation of duties” issue. Some counties have a treasurer's office and accounting office.
Royem asked whether it would be beneficial to have extra staff to help with the separation of duties. Consider inter-fund transfers?
Thom asked if we are compliant with GASB? BT: Yes. He also asked if there are GASB rules with which we are out of compliance, and Amanda said no.
- 3) Communication: Send message to elected officials and have discussions with appropriate officials.
- 4) Audit Recommendations Sections - items to improve upon:

- a. Decentralize with collections of funds at off-sight locations. This process works at other Baker Tilly clients. Comments by Manley and others: How does the City “test” outlying cash handling procedures. Comment by Rule: Aquatic Center (reconcile cash daily, two staff review, deposit to bank made by staff, Kim verifies with bank. See pages 6-8 for recommendations on these issues.
- b. Reviewed list of GASB updates
- c. Reviewed standards for communications re letter from BT on audit assessment, summary of journal entries and audit entries required during the audit. Comment by Thom – more details required?
- d. Reviewed compensated absences balances on page 6. Discussion re liabilities when an employee leaves (insurance and vacation/sick leave)
- e. Reviewed off the book liabilities (vested compensated assets/retirement).

Discussion regarding council reviewing each year not always just the auditors in a workshop fashion, prior to their formal presentation at a regular City Council meeting. Rule suggested to review what is current and start new.

Next meeting new business discussion – look at policies spelled out regarding purchasing, budgeting and personnel.

Next scheduled meeting –Tuesday, March 22 at 6 pm at City Hall (2nd Ward Room).

Motion by Rule, second by Melotte to adjourn at 6:45 pm

Respectfully Submitted,

Patrick Vander Sanden, Secretary