

City of Manhattan

Municipal Audit Committee
Virtual Meeting
Tuesday, October 20, 2020
10:30 A.M.

1. MEETING OPENING

Call to Order: The meeting was called to order by Tammy Galvan at 10:34 A.M.

Roll Call: Municipal Audit Committee: *Jane Bloodgood; Commissioner Mark Hatesohl; Rich Jankovich*

City Staff: *Tammy Galvan, Interim Director of Finance; Ashley McNatt, Senior Financial Analyst; Ami Albert, Senior Financial Analyst; Rina D. Neal, Assistant Director of Finance*

Public Comments: There were no public comments.

Approval of Minutes from September 11, 2020 Meeting: Rich Jankovich made a motion to approve the minutes as presented. This motion was seconded by Commissioner Mark Hatesohl and approved with a vote of 3/0/0.

2. OLD BUSINESS

• Finance Department Staffing Update

- Rina Neal gave a department staffing update.
 - The department is still looking to outsource some Treasury functions to Baker Tilly.
 - Treasurer position has been posted and interviews are currently being conducted. Management is hoping to have this position filled by mid-December.
 - City Controller position is currently posted and will close on October 23. After closing, interviews will be conducted and hope to have a decision made and an offer extended by the end of October or beginning of November. Management would like to have this position filled by January.
 - Budget Analyst position has been interviewed for and an offer has been made to a candidate. Anticipated start date for this candidate is December 1, 2020.
 - Other positions:
 - AGH's recommendation to the City was to hire four new positions. With the three positions outlined above, that leaves one additional position to be filled. Management is hoping to add a Staff Accountant position to the team in the spring.
 - Commissioner Mark Hatesohl asked for an update on the recruitment of a Finance Director.
 - Tammy Galvan stated that management has a plan in place to fill this position by next spring.

3. NEW BUSINESS

- **Report on 2019 Municipal Audit (Emily Sheldon, Audit Manager, Berberich Trahan & Co.)**
 - Emily Sheldon presented BT&Co's findings for the 2019 Municipal Audit
 - Found that the City presented fairly in all material information and issued an unmodified audit opinion.
 - Two new accounting standards were adopted in this fiscal year.
 - GASB 84 and GASB 88
 - BT&Co found that all of the City's significant estimates appear reasonable.
 - BT&Co assisted in the preparation of two additional adjusting journal entries that will not need to be reflected in the City's accounting system.
 - BT&Co found that management was cooperative and there were no material weaknesses.
 - Emily Sheldon also noted that the City was able to resolve two of the three significant findings from the 2018 Municipal Audit.
 - Unresolved: payroll process and access of employees. This is being addressed by management currently.
 - Resolved: Adjusting journal entries are now being recorded and review of bank reconciliation documentation has been put in place.
 - Tammy Galvan will provide committee with copy of BT&Co letter of opinion and City Management's responses
 - The audit findings will need to be presented to City Commission by the end of the year.
 - Rich Jankovich volunteered to present to the Commission and management will coordinate a date and the presentation with him.

4. **ADJOURNMENT:** The meeting was adjourned by Tammy Galvan at 10:57 A.M.

Minutes submitted by Ami Albert