



## AUDIT & FINANCE COMMITTEE

### MINUTES – February 26, 2018

The regular meeting of the Audit & Finance Committee was held Monday, February 26, 2018 at 4:30p.m. Those in attendance included:

Member	In Attendance	Absent
Randy Atkisson	x	
Rich Carver	x	
Ted McNulty	x	
Katrina Pon		x
Katie White	x	
Sean Concagh		x

Also in attendance were:

Jim Kleinschmidt, Alderman (Ward 2)  
Scott Schaefer, Assistant City Administrator  
Tracy Hansen, Director of Finance  
Julie Lancaster, Accounting Supervisor  
Karen Lenk, Director of Auditing at Schowalter and Jabouri

**Risk Assessment Update:** Karen Lenk from Schowalter and Jabouri distributed the final draft of the risk assessment to the Committee. Ms. Lenk gave an overview of the criteria used for the risk assessment. She also provided recommendations to strengthen internal control within the City.

**2017 Pre-Audit Communication:** Karen Lenk also gave a presentation relating to the 2017 Audit. She updated the Committee on their auditing process, new accounting pronouncements, and the fieldwork expected to begin on March 19<sup>th</sup>. Schowalter and Jabouri will give another presentation to the Audit and Finance Committee after completion of the audit.

**2017 Sales Tax Update:** The Director of Finance distributed a sales tax analysis as of February 2018 receipts (December sales tax at the register). Since these receipts were relating to December 2017, they were included in 2017 revenue. The final 2017 YTD accrual basis sales tax in total was within 1% of the 2017 projections. Use tax revenue was over budget by \$70,000 in 2017.

**Memo Regarding Purchasing Policy Review:** The Director of Finance presented a memo to the committee with suggested modifications to the City's Purchasing Policy. The memo recommended an increase in the formal bidding threshold from \$5,000 to \$10,000 and an increase in the Warrant List from \$1,000 to \$3,000. The Committee members asked Ms. Hansen a few questions regarding the Warrant List. Mr. Carver volunteered to write a memo to the Mayor and Board of Alderman with the Committee's recommendation.

**Retirement Study Update:** Fiduciary Advisors is conducting a study to compare a defined benefit and defined compensation retirement plan. The City is awaiting a cost proposal from LAGERS before Fiduciary Advisors can complete their study.

#### **Adjournment**

The committee adjourned at 6:05 p.m.

March 13, 2018

**Next Meeting Date**

The Committee has decided to begin meeting on the 2<sup>nd</sup> Monday of the month. The next meeting date will be March 12<sup>th</sup> at 4:30pm.

Respectfully Submitted,  
Julie Lancaster  
Accounting Supervisor

**AUDIT AND FINANCE COMMITTEE**

AGENDA

**Monday, February 26, 2018 at 4:30 PM  
Heimsch Conference Room**

- I. Roll Call
- II. Risk Assessment Update - Final Copy Distributed
- III. 2017 Pre-Audit Communication
- IV. 2017 Sales Tax Update
- V. Memo Regarding Purchasing Policy Review
- VI. Retirement Study Update
- VII. Adjournment