

Oak Harbor City Council
Special Meeting Minutes
January 22, 2014

CALL TO ORDER

Mayor Scott Dudley called the meeting to order at 2:30 p.m.

ROLL CALL

Present:

Mayor Scott Dudley
Mayor Pro Tem Danny Paggao
Councilmember Rick Almberg
Councilmember Jim Campbell
Councilmember Tara Hizon

Councilmember Beth Munns

Councilmember Bob Severns was excused.

Staff Present:

City Administrator Larry Cort
Finance Director Doug Merriman
Development Services Director Steve Powers
Fire Chief Ray Merrill
Engineer Joe Stowell
Public Works Director Cathy Rosen
City Attorney Nikki Esparza
City Clerk Anna Thompson

Auditors present

WA State Audit Manager Andy
WA State Auditor Lead Arden Flores

CONFERENCE

Washington State Auditor's Exit Conference.

a. Introduction

Doug Merriman introduced the auditor's report at 2:34 p.m.

Auditors passed out the Audit Report to the Mayor, Councilmembers and staff

Mr. Asbjornsen began and explained that today's conference represents the annual meeting of the conclusion of the Audit to inform the Council of the items looked for during year 2012 and the results.

b. Discussion

Mr. Flores provided the auditing summary as provided in the Audit handout.

Councilmember Almberg asked whether they could have exit meetings every other year and was posed last year because the audits are over \$50,000 per audit and suggested that the auditors provide an answer soon.

Mr. Asbjornsen responded that that's determined by the state based on risks and other factors.

Councilmember Munns asked whether the City has met certain qualification deadlines since the audit has been accomplished.

Finance Director explained the qualifications relevant deadlines and the Auditors added that they would work with the city to meet deadlines as well.

The Mayor asked whether there other nearby cities that are audited every other year. The Auditors replied that there are other cities that are audited every other year and indicated that they will discover what cities are audited every 2 years. It was also noted that the cost will be greater for a 2-year auditor.

Mayor Dudley asked what the audit's focus was this year.

The Auditor responded that third-party cash receipts was one of the main focus- es, 24-hour deposits, and how fast the 3rd party receipt deposits process.

Mayor Dudley asked what the consequence of receipt of third party receipts after the 24-hour period. The Auditors responded that there is a greater risk that the longer the money is held, the funds may not actually be deposited.

c. Recommendations for the City:

Ensure deposits are made within 24 hours as directed by the RCW.

Councilmember Hizon asked why the RCW requires 24 hours when some deposits are not actually deposited for 3-5 days.

Auditors responded that the state expects the deposits to be processed as soon as possible within 24 hours and the reality is it may take longer than 24 hours to process.

Councilmember Almberg asked whether even small events need to follow this 24 hour deposit requirement. Finance Director Mr. Merriman stated that they would have to look at the exact requirements for third party cash receipts as opposed to other payment systems.

The Auditors recommend compliance with the State policy for disbursements/credit card transactions.

Overall, the Auditors noted that the City resulted in a very clean audit, only two recommendations and which will not be reflected in the audit report.

Mayor thanked the Auditors and the Finance Director.

ADJOURNMENT

The meeting adjourned at 3:00 p.m.

Anna M. Thompson, City Clerk