

City of Great Falls  
Audit Committee Meeting  
April 12, 2023 10:30 AM, Rainbow Room  
Meeting Minutes

Mayor Bob Kelly called the meeting to order at 10:30 AM in the Rainbow Room of the Civic Center.

Introductions of City Staff, Audit Committee, and Attendees were made. Those present were – Melissa Kinzler – Finance Director, Kirsten Wavra – Deputy Finance Director, Levi Johnson – Staff Accountant, Joe McKenney – City Commissioner, Greg Doyon – City Manager, Chuck Anderson – Deputy City Manager, Tom Hazen – Grant and Program Administrator, Bob Kelly – Mayor, Shanna Christopherson – Private Citizen, and Jeff Heibel Private Citizen/Audit Committee Nominee

Committee members not present were Ramilia Proud – Staff Accountant.

The first agenda item was to approve the minutes from the December 7, 2022 Audit Committee meeting. Greg Doyon made the motion to accept the minutes from the December 7<sup>th</sup>, 2022 meeting. Joe McKinney seconded the motion. The minutes were unanimously approved as presented.

The next agenda item was a discussion regarding the nomination of Jeff Heibel to the Audit Committee as a Private Citizen. Mayor Bob Kelly gave an introduction to the roles and activities of the Audit Committee. Mayor Kelly asked Mr. Heibel about his experience. Mr. Heibel responded that while he did not have direct audit experience he was very comfortable in reviewing financial statements. Mr. Heibel was asked why he wanted to join the Committee and responded that the combination of the meeting schedule and an introduction to the inner workings of local Government were the determining factors. City Manager Greg Doyon stated a desire to help acclimate Mr. Heibel to the Committee and City Government. Mr. Doyon motioned to accept Mr. Heibel to the Committee. Deputy City Manager Charles Anderson seconded. The vote to accept Mr. Heibel's nomination was unanimous. The nomination will be forwarded to the City Commission for final approval.

The next agenda item was a Discussion on proposed amendments to the Audit Committee Charter presented by Finance Director Melissa Kinzler. Ms. Kinzler began the discussion by giving some background on the current Charter. The Charter has been in place since its initial adoption in 1992. Several clauses of the Charter require amendment to more accurately reflect current terminology, enrollment, and practices. Ms. Kinzler proposed the following changes:

- The composition of the audit committee (Second Sentence of AUTHORITY) is proposed to be changed from "Composed of City Commissioners, City Management Officials and Private Citizens" to "composed of the City Manager, Finance Director, Mayor, and one City Commissioner and two Private Citizens"; and
- The language is proposed to be inserted before the last sentence of the AUTHORITY, "The Private Citizens will be appointed by the City Commission for three year terms. The terms will be from July 1<sup>st</sup> to June 30<sup>th</sup>."; and

- The final sentence of AUTHORITY is proposed to be changed from “The audit committee will meet on a regular basis and call special meetings as required” to “The audit committee will meet at least twice a year and call additional meetings as required.”; and
- RESPONSIBILITIES, Subsection 1. Financial reporting, bullet point one “Oversee the external audit coverage, including:” activities are proposed to be amended from “Review of auditor’s performance” to “Review of auditor’s performance which includes the independence of the auditors.”; and
- RESPONSIBILITIES, Subsection 1. Financial reporting, bullet point one “Oversee the external audit coverage, including:” is proposed to include the following language “Review final audit reports and accept, or not accept the audit results.”; and
- RESPONSIBILITIES, Subsection 1. Financial reporting, bullet point 6 is proposed to be changed from “Review with management the introductory and statistical section of the Comprehensive Annual Financial Report (CAFR).” to read “Review with management the introductory and statistical section of the Annual Comprehensive Financial Report (ACFR).”; and
- The removal of RESPONSIBILITIES, Subsection 2. City Governance; and
  - Discussion – Ms. Kinzler suggested that the activities described within the Subsection were not typically undertaken by the audit committee. Mr. Doyon suggested that retaining the language as the Audit Committee was likely the most appropriate body within the organization to review questionable employee activities related to conflict of interest, fraud, etc. Citizen Shanna Christopherson stated that she felt reassured as a community member knowing the language was there. Commissioner Joe McKenney also voice support for retention of the language. Mayor Kelly proposed retaining Subsection but amending the last sentence of the first paragraph from “To accomplish this, the audit committee will:” to “To accomplish this, the audit committee may:”. The Committee accepted this revision to the proposal.
- The removal of RESPONSIBILITIES, Subsection 3. Internal Control, bullet point four, Review internal audit reports”.
  - Discussion – Ms. Kinzler suggested that there are no internal audit reports to review. Mayor Kelly proposed amending the bullet point to read “Review internal controls”. Ms. Kinzler and Deputy Finance Director Kirsten Wavra both agreed that this language was more appropriate and reflected internal practices better. The Audit Committee accepted this proposed revision.

Mr. Doyon motioned to approve the amendments as proposed by Ms. Kinzler including the revised amendments to the language contained in “City Governance” and “Internal Control” as discussed by the Audit Committee. Commissioner McKenney seconded the motion. The vote was unanimous.

Mayor Kelly asked for any additional topics of discussion. Mayor Kelly began the discussion by requesting that future Audit Committee agendas include a designated time for “Public Comment”. Mr. Doyon gave an update on the Collective Bargaining process. Joe McKenney requested and was provided with an explanation of how the terms arrived at through the Collective Bargaining process would be relayed to the City Commission. Ms. Kinzler gave an update on the recent signing of an agreement to transition from Munis financial software to New World.

Mr. Doyon moved to adjourn the meeting and the support to do so was unanimous. The meeting adjourned at 11:25 AM.