



**Item:** Appointment, Audit Committee

**From:** City Manager's Office

**Initiated By:** City Commission

**Presented By:** City Commission

**Action Requested:** Appoint one member to the Audit Committee to fill the private citizen member position through June 30, 2018.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission appoint \_\_\_\_\_ to the Audit Committee to fill the private citizen position through June 30, 2018”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

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**Staff Recommendation:** It is recommended that the City Commission appoint one new member to the Audit Committee to fill the private citizen member position.

Staff is recommending that the Audit Committee set term appointments similar to the other City Boards and Commissions and set the terms to run concurrent with fiscal years beginning July 1 through June 30. This position would be a partial term from December 1, 2015 through June 30, 2018.

**Background:** Joanne Fisher was appointed to the Audit Committee as the private citizen member on August 6, 2002. Ms. Fisher has resigned from the Committee. Therefore, it is necessary to appoint a new member to fill the vacancy.

Purpose

The Audit Committee was established by the City Commission in October of 1992 and consists of five members to include the Mayor, a Commissioner, the City Manager, the Fiscal Services Director and a private citizen.

The Audit Committee provides assurance that the financial disclosures made by management reasonably portray the City's financial condition, results of operations and plans and long-term

commitments. The Committee oversees the external audit coverage, reviews accounting policies and reviews financial statements.

#### Evaluation and Selection Process

Advertising was done through the local media and posted on the City of Great Falls website. Members of the Audit Committee should collectively possess technical expertise in accounting, auditing, and financial reporting to fulfill its duties. One application was received.

Continuing members of this board are:

Mayor Winters  
Commissioner Kelly  
City Manager Doyon  
Fiscal Services Director Kinzler

Citizens interested in serving on this board include:

Jeremy Trebas

**Attachments:** Audit Committee Charter, Resignation letter, and Application

**AUDIT COMMITTEE CHARTER  
CITY OF GREAT FALLS, MONTANA**

**AUTHORITY:**

Primary responsibility for the City's financial reporting and internal operating controls is vested in the City Manager as overseen by the City Commission. The audit committee, composed of City Commissioners, City Management Officials and Private Citizens is a standing committee of the City Commission established to assist it in fulfilling its statutory and fiduciary responsibilities. The audit committee will meet on a regular basis and call special meetings as required.

**RESPONSIBILITIES:**

1. Financial reporting

The responsibility of the audit committee in the area of financial reporting is to provide assurance that financial disclosures made by management reasonably portray the City's financial condition, results of operations and plans and long-term commitments. To accomplish this, the audit committee will:

\* Oversee the external audit coverage, including:

Auditor engagement letters.

Estimated fees.

Monitoring of audit results.

Review of auditor's performance.

Review of nonaudit services.

\* Review accounting policies.

\* Review the financial statements, including:

Annual financial statements, auditor's opinion and management letters.

Other reports requiring approval by the City Commission before submission to other government agencies.

- \* Inquire about the existence and substance of any significant accounting accruals, reserves or estimates made by management that had or may have a material impact on the financial statements.
- \* Arrange for periodic reports from management, the independent public accountant and the Finance Director to assess the impact of significant regulatory changes and accounting or reporting developments proposed by the Financial Accounting Standards Board, Governmental Accounting Standards Board and Office of Management and Budget or any other significant matters that may affect the City.
- \* Review with management the introductory and statistical section of the Comprehensive Annual Financial Report (CAFR).
- \* Ask management and the independent public accountants if there were any significant reporting or operational issues affecting the financial statements that were discussed during the accounting period and, if so, how they were resolved.
- \* Obtain from management a notification of issues and responses whenever a second opinion is sought from an independent public accountant.
- \* Review the letter of management representations given to the independent public accountants and inquire whether any difficulties were encountered in obtaining the letter.

## 2. City governance

The responsibility of the audit committee in the area of City governance is to provide assurance the City is in reasonable compliance with pertinent laws and regulations, is conducting its affairs ethically and is maintaining effective controls against employee conflict of interest and fraud. To accomplish this, the audit committee will:

- \* Review City policies relating to compliance with laws and regulations, ethics, conflict of interest and the investigation of misconduct or fraud.
- \* Review in-house policies and procedures for regular review of city employees' expenses and perquisites, including use of City assets.
- \* Determine the extent to which the planned audit scope of the independent public accountant can be relied on to detect fraud or weaknesses in internal controls, and review management's plans to monitor compliance with these internal controls.

- \* Discuss with the independent public accountant the review of the City's electronic data processing procedures and controls and inquire about specific security programs to protect against computer fraud or misuse both within and outside the City.

### 3. Internal control

It is incumbent on the audit committee to fulfill its oversight responsibilities without unnecessary or inappropriate intervention with the prerogatives of City management. Nevertheless, to carry out its responsibility, the audit committee must:

- \* Meet privately with the independent public accountants to discuss pertinent matters, and to determine if any restrictions have been placed by management on the scope of their examination or if there are other matters that should be discussed with the audit committee.
- \* Request information on the results of the most recent peer review of external auditors and the nature of any needed corrective measures.
- \* Review different aspects of the City on a planned basis to ensure a general understanding of the operations and functional areas of the organization.
- \* Review internal audit reports.
- \* Report audit committee activities to the City Commission regularly.

May 29, 2015

3015 Acacia Way  
Great Falls, MT 59404

City Commissioners  
City of Great Falls  
P.O. Box 5021  
Great Falls, MT 59403

On August 6, 2002 the City Commission appointed me as the private citizen member of the Audit Committee. I have found the past thirteen audit years to be informative and challenging. It has been interesting to watch the change in management and committee members over the years.

It is with regret that I have decided to resign from this committee. My husband and I have decided to spend more winter months in Arizona, which would preclude me from attending the December meeting. The City is entering a period of optimism with a fresh start from the burdens of the past years. It is time for me to leave and allow another citizen to share their input with the committee. It has been an honor to serve the community on the Audit Committee.

Sincerely,

Joanne Fisher

CC: Greg Doyon, Melissa Kinzler, Jennifer Reichelt, Cheryl Lucas, Lois Thomas, Kelby Donnelly, Loran Stensland



**BOARDS AND COMMISSIONS  
CITIZEN INTEREST FORM**  
(PLEASE PRINT OR TYPE)


**RECEIVED**

AUG 17 2015

*Thank you for your interest. Citizen volunteers are regularly appointed to the various boards and commissions. This application subject to Montana Right to Know laws.*

**CITY MANAGER**

Board/Commission Applying For: <b>Audit Committee</b>		Date of Application: <b>08/17/2015</b>
Name: <b>Jeremy Trebas</b>		
Home Address: <b>2509 7th Ave N, Great Falls, MT. 59401</b>		Email address: <b>jrtgf2672@gmail.com</b>
Home Phone:	Work Phone:	Cell Phone: <b>406-899-5445</b>
Occupation: <b>Controller</b>		Employer: <b>Great Falls Rescue Mission</b>
Would your work schedule conflict with meeting dates?    Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (If yes, please explain)		
Are you a registered voter in Cascade County?    Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Related experiences or background: I am a CPA working as a controller of an organization that receives a yearly audit. I have worked as a controller for 3 years, and prior to that I worked as an accountant at another local non-profit. I've also worked as pre-audit staff at Denning, Downey, and Assoc. P.C. in Kalispell, MT.		
Educational Background: My highest level of education is a B.S. in Business in the accounting option at Montana State University, having graduated in May 2010. I completed 15 credits of work in Montana State's Master of Professional Accountancy program, but did not finish (30 credits total would have be req'd).		
<b>IF NECESSARY, ATTACH A SEPARATE SHEET FOR YOUR ANSWERS TO THE FOLLOWING:</b>		
Previous and current service activities: Policy Council - Headstart, Great Falls, MT. (August 2012-August 2013) Board Member - Opportunities, Inc., Great Falls, MT. (December 2012-August 2013) Board Member - Great Falls Pachyderm Club, Great Falls, MT. (November 2012 - Present) Volunteer CPA - Veteran's Fast Launch Initiative - (June 2013 - Present)		
Previous and current public experience (elective or appointive): Finance Chairman - Cascade County Republican Central Committee, Great Falls, MT, (Feb.2013-Sept. 2014).		

Membership in other community organizations:	
Have you ever worked for or are you currently working for the City of Great Falls? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, where and when?	
Do you have any relatives working or serving in any official capacity for the City of Great Falls? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, who, which department, and relationship?	
Have you ever served on a City or County board? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, what board and when did you serve?	
Are you currently serving on a Board? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, which board?	
Please describe your interest in serving on this board/commission? I saw the opportunity posted on the City of Great Falls website while looking for something else. I did not realize that this committee existed, but am interested because it is in the realm of my expertise and I am somewhat familiar with the city's financials. I've looked through previous audit reports of the city while pursuing election to the city commission in 2013.	
Please describe your experience and/or background which you believe qualifies you for service on this board/commission? I am a Certified Public Accountant in the State of Montana, and work in an accounting position. My education is in accounting, and a small amount of my experience was in governmental accounting (at Denning, Downey, & Assoc. P.C.).	
Additional comments: I would like to serve on a committee of the City of Great Falls, and this one holds particular interest for me. Thank you for your consideration.	
Signature 	Date: 08/17/2015

If you are not selected for the current opening, your application may be kept active for up to one year by contacting the City Manager's office. Should a board/commission vacancy occur within 30 days from the last City Commission appointment, a replacement member may be selected from citizen interest forms submitted from the last advertisement. For more information, contact the City Manager's office at 455-8450.

**Return this form to:**  
City Manager's Office  
P.O. Box 5021  
Great Falls, MT 59403

Fax:  
(406) 727-0005

Email:  
kartis@greatfallsmt.net