Grand County Audit Committee Meeting

24 FEB 2025

10:00 AM

Present: Commissioners Winfield, Martinez, Hadler, EFG Consulting - Cody Deeter, Admin Mark Tyner and Quinn Hall, consultant Karen Kurtin (Fortis Mazars)

Motion by Martinez to nominate Commissioner Winfield as Chair, Commissioner Martinez as Vice-Chair, and Commissioner Hadler as Secretary.

Second by Hadler

Motion passes 3-0

Approval of minutes from Oct 25

Karen noticed some typos – Audit Committee Consultant change (page 1), change some of the typos, trail to trial, "Karen recommended in the future

Motion by Martinez to approve minutes with recommendations from Karen

Second by Hadler

Motion passes 3-0

EFG Internal Audit – wait until Cody arrives for the other items

#5 Discussion about the bylaws

2018 audit attached. Need to have the bylaws on the website.

Run through the bylaws. Past discussion revolved around the Clerk/Auditor and their involvement in the meetings. Discussion about the appropriateness of the Clerk/Auditor attending the meetings. Questions about the component units and the timeliness of their audits, and the interaction of those audits in relation to the External Audit. The Clerk/Auditor's presence in the meetings should be on an "as-needed" basis.

Karen offered some professional background for the Committee.

Discussion about the Component Units for the next agenda, and the issuing of those audit results in a timely manner.

Financials should come to the Audit Committee first, and then go before the whole commission.

Some discussion around quarterly financial statements delivered to the Committee. Noting that the County operates on the calendar year. Discussion about a list of component units and the deadlines for audit results so they can tie into the County's external audit. Karen has a list of the Component Units – SWSSD, Grand County Special Service Water District, Rec SSD, CynHealthCare SSD, Trans SSD, and EMS SSD. Question about whether or not Arches and Thompson SSDs component units? Recreation SSD just hired a new bookkeeper.

10: 34 Cody Deeter (internal auditor/EFG) joins.

Cody noted communication with former Commissioner Walker, and asked which restricted funds the Committee would like the Internal Audit to focus on. Discussion about whether the Internal Audit should focus on restricted funds, or on departmental procedures. Cody noted that he serves at the pleasure of the committee and will focus on funds or departments as directed. Cody will forward the email from former Commissioner Walker. Cody noted that "internal auditors" are generally just that, "internal," and are only occasionally hired from the outside. Commissioner Winfield asked if there are reasons to stick with the current Internal Auditor, or is there a reason to go to RFP and seek other options. Attorney Stocks asked about the nature of "restricted funds." Some discussion about the tracking of grants and how they're monitored for performance as part of the external audit.

Commissioner Winfield suggested the County put out an RFP for FY 2025 (work to be completed in 2026). Commissioner Martinez suggested we come up with a schedule and a deadline so the County could get together an RFP for FY 25 before it becomes critical. Karen noted it would be helpful for Cody to have a better-defined SOW and a discrete timeline. Cody will provide some information about past internal control audits. In 2023 they looked at OSTA, Airport, Justice Court, and the Library. In 2022 they looked at the Jail, the Grand Center, Payroll, and Cash Receipting in the Clerk's Office. In 2021, they looked at Recorder's Fees, grants in the Clerk Auditor's office, the Public Treasurer's Investment Fund (PTIF) reconciliation, purchasing policy, written policy and procedures in the Clerk/Auditor's office.

Attorney Stocks discussed restricted funds and the associated uses and intent of the reporting. Attorney Stocks noted the importance of proper documentation.

Cody discussed the intent of the Internal Audit for the 2023; and the potential co-mingling of funds designated for the airport that may or may not have been included in the General Fund, with the intent of ensuring restricted airport funds stay within the airport accounts. Commissioner Winfield suggested EFG be directed to finalize the airport research, and include other departments as directed by the Committee. Cody suggested the committee revisit the Airport report from 2023, and discuss the intent of past Internal Audits – where are funds collected, how much, and how could internal controls be implemented to better limit the potential for fraud. Commissioner Winfield discussed the importance of making sure any restricted airport revenue is properly accounted for. Commissioner Martinez suggested any department with complicated restricted funds revenue should likely be studied for any compliance issues.

Cody Deeter left at 11:02 am.

Commissioner Martinez suggested funds that receive the most restricted funds should be looked at, and suggestions were potentially GCATT, Travel, Roads, and Airport. Attorney Stocks suggested that Karen weigh in on appropriate language to better direct EFG and the funds they'd look at for compliance. Karen will provide appropriate language to better specify tasks for EFG.

Motion by Commissioner Martinez that EFG evaluate internal controls related to disbursements for the following departments: GCATT, Roads, MOT, and to continue with CNY (the Airport).

Second by Hadler

Motion passes 3-0

Agenda items for the next meeting, Internal Auditor contract

External Auditor engagement letter forthcoming.

Discussion around RFP for external auditor – and the timeline. Karen noted it's better to stick with Larson for this year, and put out RFP in late summer 2025. Karen noted the importance of "interim" work that could take place later in the year. Karen suggested putting out an RFP in June or July. Commissioner Winfield noted the importance of seeking a broad range of responses to the RFP for the external audit.

Direction to create RFP's for External and Internal Audits for the next meeting. Karen noted it could be important to include language that doesn't limit the County's options should unique situations arise.

Motion by Hadler to have Karen work with Admin to create and review RFP's for the Internal and External Audits, and to have them ready for the next meeting.

Second by Martinez

Motion passes 3-0

Some discussion around the next meeting date. May 7th 3:00 pm MST.

Commissioner Martinez asked about the State Audit and the current compliance level of the Trail Ambassadors as a future agenda item.

Commissioner Winfield suggested attaching the State Auditor's letter to the next agenda.

Commissioner Winfield suggested inviting the Clerk/Auditor to the next meeting for an update on Component Unit readiness and prep for the external audit.

Chair Winfield adjourned the meeting at 11:34 am.