



**Lewiston Audit Committee
REGULAR MEETING AGENDA
October 26, 2023 - 4:00 PM
Lewiston City Hall – Back Conference Room – 1134 F Street
Lewiston, Idaho 83501**

Seating will be available on a first-come, first-served basis.

- I. **CALL TO ORDER - CHAIRMAN WEIBLER**
- II. **PLEDGE OF ALLEGIANCE**
- III. **CITIZEN COMMENTS**
- IV. **WELCOME AND INTRODUCTIONS**
- V. **ACTIVE AGENDA**
 - A. **APPROVAL OF FEBRUARY 2, 2023 MINUTES:** - Action Item
 - B. **PRE-AUDIT PLANNING DISCUSSION**
 - C. **DISCUSSION OF OPERATIONAL OR FINANCIAL ITEMS FOR REVIEW**
- VI. **COMMITTEE AND STAFF MEMBER COMMENTS**
- VII. **ADJOURNMENT**

The City of Lewiston is committed to providing access and reasonable accommodation in its services, programs, and activities and encourages qualified persons with disabilities to participate. If you anticipate needing any type of accommodation or have questions about the physical access provided at this meeting, please contact City Clerk's Office at least forty-eight (48) hours in advance of the meeting at 208-746-3671, ext. 6202.

City Of Lewiston
Audit Committee
February 2, 2023
City Hall, Back Conference Room

Committee Members Present: Vice Chair Matt Weibler, Councilor John Spicklemire and Councilor Jim Kleeburg.

Also present: Finance Director Aimee Gordon, Presnell Gage Auditor Dawn Aliverti, Mayor Dan Johnson, and Accounting Specialist Claire Blewett.

- I. CALL TO ORDER
Meeting called to order at 4:07pm by Vice Chair Matt Weibler
- II. PLEDGE OF ALLEGIANCE
- III. CITIZENS COMMENTS
Vice Chair Weibler started discussion regarding the need for one more citizen committee member. The committee needs a total of three citizen members. Councilor Jim Kleeburg mentioned Tim Switzer might be interested since he was just appointed to the URA board.
- IV. ELECTION OF OFFICERS - Action Item
Vice Chair Weibler moves to nominate himself as Chair and Dr. Julie Crea as Vice Chair. Seconded by Councilor Jim Kleeburg. All in favor. Motion carries.
- V. APPROVAL OF OCTOBER 26, 2022 MINUTES - Action Item
Councilor Jim Kleeburg moves to accept the minutes as presented. Councilor John Spicklemire seconds. All in favor. Motion carries.
- VI. AUDIT SERVICES RFP - Ms. Gordon
Director Gordon would like to have Chair Weibler and Vice Chair Crea sit in on the RFP process to provide more independence and outside experience to the evaluation process. Discussion followed regarding timeline and scheduled meetings. Brief discussion regarding the last RFP followed.
- VII. COMMITTEE VACANCY UPDATE
Chair Weibler started discussion regarding the committee member's city of residence. It was determined per state code, that the committee members do not have to reside in Lewiston to be on the audit committee. Discussion followed on the benefits that could be brought to the committee from Lewiston business owners who happen to live elsewhere.

Discussion about advertising the vacant position on the city's facebook page. Director Gordon will work with the city's PIO. The position was on the city's website but it was likely outshone by the ruptured high reservoir.

Pending Approval

VIII. REVIEW PROPOSED CHANGES TO COMMITTEE CHARTER

The Audit Committee's current charter has existed for several years. About two years ago, the committee adopted bylaws but because the charter was outdated, there were a few contradictions. Director Gordon made updates to the charter which address those and bring it to current. At the last meeting, Dan Rudolph had a few concerns around the language of accepting the audit report, so clarifications were made in the charter.

Discussion followed regarding the rest of the updates. There was a typo found in Bullet 5 under Responsibilities. The word should read "presented".

Chair Weibler moves to accept the updates made to the charter along with the change noted earlier. Councilor Jim Kleeburg seconds. All in favor. Motion carries.

IX. FY2022 DRAFT AUDIT PRESENTATION

Presnell Gage Auditor Dawn Aliverti presented a draft version of the FY22 audit to the committee. Discussion followed on how an audit is completed and the standards followed by the auditors. Their goal is to gain reasonable assurance that the city's records are accurate through tests and samples, and maintain a certain level of skepticism.

Discussed materiality and how it affects different funds.

Discussed adjustments and when they are done throughout the audit process. Items are identified and discussed between the auditors and city staff and then journals are posted accordingly. Other adjustments are needed to conform to GAAP and for presentation purposes. Discussed reserves and the difference between assigned reserves and unassigned reserves.

Discussed the relationship between the Cemetery Perpetual Care Fund and the Cemetery Fund; funds that fall under business type activities, noted the golf fund had an operating loss; debt, including the internal loans and the history of those loans, and the debts related to the Wastewater and Water Treatment Facilities; component units, the URA which made an additional pay down of their debt in the amount of \$300,000; the auditors have visited the purchasing department and reviewed city's procurement process and purchasing processes; visited utility billing and the community development office. Items we are waiting on or still need to be finished up: attorney letter and any notice of potential liabilities, the PCI report from the Airport, implementation of any updates or changes based on the GFOA comments, and there will be a subsequent event noted in this year's report due to the rupture of the high reservoir.

Discussed the police retirement fund, and component units

X. COMMITTEE/STAFF MEMBER COMMENTS

XI. OTHER/GOOD OF THE ORDER

XII. ADJOURNMENT

Motion for adjournment was made by Councilor Jim Kleeburg, seconded by Councilor John Spicklemire. Meeting adjourned at 5:30.

Pending Approval

Pending Approval



ENTRANCE CONFERENCE – CITY OF LEWISTON, IDAHO
Year Ended September 30, 2023

Purpose

The purpose of this meeting is to share our planned audit scope so that we are focused in the most significant areas. We value and appreciate your input.

Audit Scope

Based on our preliminary planning, we will perform the following audit:

- Financial statement audit of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lewiston, Idaho as of and for the year ended September 30, 2023.

Engagement Letter

We will provide an engagement letter, which documents both of our responsibilities for conducting and performing the audit. Additionally, the letter identified the cost of the audit, estimated timeline for completion, and expected communications. This letter has been signed by Aimee Gordon or Mayor Johnson and returned.

Reporting

Auditors do not have a responsibility to specifically identify control deficiencies, but only to report as they become aware of them during the course of required audit procedures.

Finding – Auditors are required to communicate, in writing, to management and those charged with governance typically in the form of a finding within the audit reports certain control deficiencies they have identified during the course of the audit, which in the auditor’s judgment, are significant deficiencies or material weaknesses.

Management Letter – Auditors may communicate other weaknesses, inefficiencies, or opportunities for improvement in operations that they have observed that are not required to be included in the report (sometimes called “management points”) in a written format or management letter. This is at the judgment of the auditor.

Oral Exit Items – Auditors may elect to communicate less serious deficiencies or other inconsequential audit findings orally.

Other Information

Confidentiality – Information provided or reviewed during the course of the audit will be used for conducting the audit and not disclosed to any third person without prior consent, unless otherwise stipulated by the engagement terms or the law.

Audit Costs – The cost of the audit will not exceed \$61,000.

Expected Communications – During the course of the audit, we will communicate with Aimee Gordon, Claire Blewett, or others as deemed necessary to obtain audit documents, audit status, any significant changes in our planned audit scope, and/or scheduling of meetings.

Loss Reporting – Please immediately notify the audit partner in the event of a known or suspected loss of resources, fraud, or other illegal activity.

Audit Team

Dawn A. Aliverti, CPA – Dawn will serve as the audit partner of your audit and oversee the audit team assigned. She has been engaged in public accounting since 1994 and has been with Presnell Gage, PLLC, since 2004 and is licensed to practice as a Certified Public Accountant in the States of Idaho and Washington. She has extensive experience in audits of governmental entities, non-profit entities, for profit entities, and worker compensation exchanges. She is a member in good standing of the American Institute of CPAs, Idaho State Board of Accountancy, and Washington State Board of Accountancy.

Staff Accountants – Staff accountants will be chosen from the governmental audit team to the extent necessary.

City of Lewiston, Idaho
Fiscal Year September 30, 2023 – Audit Timeline

<u>October 12, 2023</u>	Meet with City staff for a planning meeting.
<u>October 17, 2023</u>	Presnell Gage will provide the engagement letter to the City.
<u>October 26, 2023</u>	Meet with audit committee for planning. Aimee will set up.
<u>November 3, 2023</u>	Presnell Gage will provide a “needs listing” to the City that outlines information necessary for the audit.
<u>November 17, 2023</u>	The City will provide the audit ready trial balances and budget for each fund.
<u>December 4-15, 2023</u>	Presnell Gage staff will be performing engagement fieldwork both at the City’s office and own office.
<u>January 17, 2024</u>	Rough draft of the financial statements will be provided to the City staff for review.
<u>Week of January 22, 2024</u>	Meeting with staff and Mayor to discuss the audit results and key financial statement areas.
<u>January 25, 2024</u>	A meeting will be held with the Audit Committee to discuss the audit results.
<u>February 12, 2024</u>	The financial statements will be ready for copy and assembly by City staff.
<u>February 16, 2024</u>	The financial statements will be ready to be provided to the City Council in advance of the presentation.
<u>February 26, 2024</u>	Auditor’s presentation to the City Council at the work session (4:00 p.m.)
<u>February 26, 2024</u>	Auditor’s presentation to the City Council at the formal meeting.