

FINANCE COMMITTEE

October 26, 2023

MEMBERS

Chairman Mitchelson
Alderman Dorchinez
Alderman Skultety
Alderman Bryant

ALSO PRESENT

Mayor Barry	Alderman Brown
Alderman Olive	Alderman Driskell
Alderman Wilson	Iris Noblet-Crites
Treasurer Miles	Crystal Nichols
Chief Adermann	Tim McArdle
Superintendent Mann	Derek McConnell
Kellie Hamell	

Chairman Mitchelson called the meeting to order at 5:15 P.M.

Review of Audit Report

Mrs. Iris Noblet-Crites with Lively, Mathias, Hooper, & Noblet (LMHN) was present to discuss the results of the Audit of the City of Taylorville for the Fiscal Year ending April 30, 2023.

It was noted that sales tax, Property Tax, and Intergovernmental revenues were all up. Overall, there was an increase in expenses in capital outlay, salaries, HRA and insurance, gas and oil, legal expense and other professional services. The proprietary fund accounts operated at a net loss.

Mrs. Noblet-Crites recommended two findings:

- An adequate segregation of incompatible duties does not exist *REPEAT FINDING*
- Pooled Cash general ledger accounts were not timely reconciled to the monthly bank statements nor were they reviewed by a second person outside the Treasurer's Office
- Noted instances of the lack of repayments between the pooled cash bank account and other bank accounts as of April 30, 2023. This is a repeat carry over from FY 21/22. The City needs to review bank activity for possible repayments to the pooled cash bank account. *REPEAT FINDING* - This has since been resolved.
- Noted all the employee voluntary insurance payable general ledger accounts do not reconcile as of April 30, 2023. This is a repeat carry over from FY 21/22. This should be reconciled before the end of the calendar year with possible corrections to employee payroll records for proper reporting on the Forms W-2. *REPEAT FINDING*

Other recommendations/areas of serious concern for strengthening internal controls:

- HR Manager has a cell phone that is not being used. Should this be canceled and the phone retained in inventory when/if another phone is unusable?
- We noted two disbursements that did not accompany any receipts or explanation for the disbursement:
 - Police Petty Cash was reimbursed at a flat rate of \$200.00 with no receipts to support said reimbursement
 - Mayor Barry was reimbursed \$80 for a boat license that he reimbursed to the purchaser of the license. No documentation or narrative of the event was retained as support for the disbursement
- There are five bank accounts that are donation type bank accounts that the Treasurer receives the bank statement for and records the bank activity. There are individuals outside of the Treasurer and Clerk who have access to write checks on the accounts. Since the accounts have disbursements, shouldn't the Council be approving the disbursements?
- All reimbursements, disbursements, and donations towards various accounts should be run through the City Clerk's office.
- At the end of FY 23, the Gagne building started being used for the Street and Sewer Department; however, the expenses are not being recognized under those departments.

- Noted the City overcharged the State of Illinois salary costs related to the Safe Passage Grant. The City should contact the granting agency to amend the report submitted.
- We noted as of April 30, 2023 the City does not have a procedure in place to bill the home owner who requests a dumpster for cleanup purposes. Recommend the City discontinue assisting home owners with dumpsters or create a procedure to ensure all dumpsters costs are collected. This has since been implemented.

Motion by Alderman Bryant and seconded by Alderman Skultety to adjourn. Motion carried (4-0).
Meeting adjourned at 6:03 P.M.

Randy Mitchelson, Chairman
Finance Committee