

FINANCE COMMITTEE

November 7, 2022

MEMBERS

Chairman Budd
Alderman Dorchinecz
Alderman Skultety

ABSENT

Alderman Bryant

ALSO PRESENT

Treasurer Miles
Alderman Driskell
Alderman Wilson
Chief Wheeler
Chief Adermann
Superintendent Mann
Kellie Hamell

Clerk Lilly
Alderman Olive
Alderman Brown
Iris Noblet-Crites
Attorney Romano via Zoom
Derek McConnell

Chairman Budd 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, 2022.

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 Lake Department is the only proprietary fund that had a net positive outcome.

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

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

- Incorrect filing of City, Police and Fire Pension Form 941 forms and payments to IRS; penalties were incurred
- Social Security Administration has not received 2021 Forms W-2 and W-3; will incur penalties for each employee
- Lack of repayments between pooled cash account and other accounts
- Credit balance from City's prior electric provider – has been corrected and payment received
- Voluntary Insurance payable general ledger accounts do not reconcile as of April 30, 2022
- IMRF 1,000 hour participation limit has no documentation for Council Members claiming IMRF
- No documentation for furloughed employees paid unemployment through IDES; includes many fraudulent claims that must be investigated
- Safe Passage grant does not include full reimbursement of costs; amended reports should be submitted
- Water Fund should be reconciled for years prior to 2022 and corrections made

Verbal comments:

- Total Compensation has not been prepared or published on website; must be done annually
- RP Lumber Sewer Extension and Farm and Home have not yet been billed for sewer connection; must review agreements to determine fees and timeline

Many of these items are time sensitive and must be rectified prior to the end of the calendar year, so as not to affect current year W-2's for employees. All recommendations must be addressed and rectified expediently.

Motion by Alderman Dorchinecz and seconded by Alderman Skultety to recommend to the City Council to approve the Fiscal Year 2021/2022 Audit of the City of Taylorville as reported by Lively, Mathias, Hooper & Noblet.

Any Other Matters

City Attorney Romano requested Auditor Noblet-Crites' opinion on the investment of Water \$1.1 million Funds in brokerage CDs in amounts of \$250,000.00. She stated that in her professional opinion these transactions would be acceptable so long as Call Reports from the FDIC are presented that list balance sheets for the banks chosen for investments prior to investing.

Auditor Crites discussed her concerns for the IMRF participation of Council members, stating that the current resolution provides a 1,000 hour participation requirement. She stated that none of those participating have submitted any documentation or timesheets. She recommended that HR Manager Bentley contact IMRF for suggestions. If IMRF were to audit the City, this would be subject to audit and must be provided at that time.

Chairman Budd stated that these issues will be addressed and plans developed beginning with the January Finance meeting.

Motion by Alderman Bryant and seconded by Alderman Skultety to adjourn. Motion carried (4-0).
Meeting adjourned at 6:45 P.M.

Larry Budd, Chairman
Finance Committee