



# CITY OF NORTH SALT LAKE

## AUDIT COMMITTEE MEETING NOTICE & AGENDA

June 17, 2025

5:00 P.M.

Notice is given that the City of North Salt Lake's Audit Committee will hold a meeting on **June 17, 2025 at 5:00 p.m.** The meeting will be held in the Council Conference Room on the 2<sup>nd</sup> Floor of City Hall, 10 East Center Street, North Salt Lake, Utah.

Meetings of the Audit Committee may be conducted via electronic means pursuant to Utah Code Ann. §52-4-207 as amended. In such circumstances, contact will be established and maintained via electronic means and the meetings will be conducted in accordance with the City's Electronic Meetings Policy.

The following items of business will be discussed; the order of business may be changed as time permits.

### AGENDA ITEMS

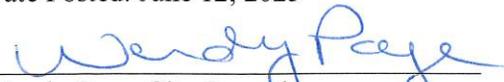
1. Welcome
2. Approval of Audit Committee Minutes of March 18, 2025
3. FY 2024-2025 Audit – Entrance Interview with K&C CPA's
4. Review Final Draft of Proposed Utility Hardship Policy
5. Review Annual Fraud Risk Assessment
6. Set Time and Agenda Items for Next Audit Committee Meeting
7. Adjourn

**Audit Committee meetings are open to the public. If you need special accommodation to participate in the meeting, please call (801) 335-8709 with at least 24 hours' notice.**

#### **Notice of Posting:**

I, the duly appointed City Recorder for the City of North Salt Lake, certify that copies of the agenda for the Audit Committee meeting to be June 17, 2025 were posted on the Utah Public Notice Website: <https://www.utah.gov/pmn/>, City's Website: <https://www.nslcity.org>, and at City Hall: 10 E. Center St. NSL.

Date Posted: June 12, 2025

  
Wendy Page, City Recorder



1 CITY OF NORTH SALT LAKE  
2 AUDIT COMMITTEE MEETING  
3 COUNCIL CONFERENCE ROOM  
4 10 EAST CENTER STREET, NORTH SALT LAKE  
5 MARCH 18, 2025  
6

7 **DRAFT**  
8

9 COMMITTEE MEMBERS PRESENT: Brian Horrocks, Mayor; Lisa Watts Baskin, City  
10 Council; Suzette Jackson, City Council.  
11

12 STAFF PRESENT: Ken Leetham, City Manager; Heidi Voordeckers, Finance Director.  
13

14 OTHERS PRESENT: Dee Lalliss, resident.  
15

16 1. WELCOME  
17

18 Committee Member Horrocks welcomed those present and called the meeting to order at 5:03  
19 p.m.  
20

21 2. APPROVAL OF AUDIT COMMITTEE MINUTES  
22

23 The Audit Committee minutes of February 18, 2025 were reviewed and approved, as amended.  
24

25 Committee Member Jackson stated that she was present during the February 18<sup>th</sup>, 2025 Audit  
26 Committee meeting even though the minutes reflected that she was excused on line 90. She  
27 requested the minutes indicate that she returned to the meeting.  
28

29 **Committee Member Baskin moved to amend the minutes of February 18, 2025 with the**  
30 **change to reflect that Committee Member Jackson left momentarily and then returned to**  
31 **the meeting. Committee Member Jackson seconded the motion. The motion was approved**  
32 **by Committee Members Baskin, Horrocks and Jackson.**  
33

34 3. REVIEW DRAFT UTILITY HARDSHIP POLICY AND CONSIDER  
35 RECOMMENDATION TO THE CITY COUNCIL  
36

37 Heidi Voordeckers reported on the draft utility hardship policy which entailed a hardship  
38 assistance program for City utility customers. She explained the proposed draft addressed the  
39 program parameters and how it would be administered. She noted that the policy addressed:  
40

- 41 • Previously discussed eligibility criteria
- 42 • A 50% reduction in billed services for three consecutive months for eligible applicants
- 43 • Limited to residential applicants in good standing
- 44 • Ability for applicants to reapply after 36 months
- 45 • Hardship circumstances must be both recent and temporary
- 46 • Household income must be at or below 150% of the Federal poverty level
- 47 • Authorization for the City to verify eligibility with outside parties/ agencies
- 48 • City ability to cancel or suspend program if needed
- 49 • A formal appeals process for denied applications

50

51 Ms. Voordeckers said the financial hardship circumstances included job loss, medical hardship,  
52 natural disaster, disability, or death/divorce/legal separation of an immediate household member  
53 resulting in significant reduction in household income within the last six months.

54

55 The Committee discussed the addition of substantiated domestic violence to the demonstrated  
56 financial hardship circumstances and determined that revising the language from “legal  
57 separation” to “substantiated separation” would be sufficient. The Committee then reviewed  
58 whether the 50% reduction in billed services for three consecutive months was adequate and  
59 suggested the revision that the reduction be for 90 days with a renewal based upon need.

60

61 Heidi Voordeckers shared that the revised draft hardship policy would be reviewed by the City  
62 Council and put into effect before July. She clarified that it would be a 50% reduction on utilities  
63 including water, garbage, sewer, and storm drain. She noted that the City offered a military  
64 discount and that only three residents currently utilized that program.

65

66 Committee Member Baskin suggested cross referencing the appeal provisions with the existing  
67 Code for the administrative law judge. She noted that this could include language to say that the  
68 appeal would be conducted pursuant to the current procedures as provided in the City Code  
69 sections.

70

#### 71 4. DISCUSS RESPONSES FROM PROFESSIONAL AUDIT SERVICES RFP AND SET 72 TIMELINE FOR EVALUATION COMMITTEE

73

74 Ken Leetham noted that the biggest difference between the two audit firms, Keddington and  
75 HBME, was price.

76

77 Heidi Voordeckers reported that the City’s current audit firm, Child Richards CPAs and Advisors,  
78 did not respond to the RFP and that the firm Ulrich and Associates responded that they did not

79 have the capacity at this time. She shared that she had previously worked with Keddington and  
80 that she was familiar with HBME and mentioned they were both suitable firms. She noted that  
81 Tyler Abegglen, Golf Course Manager, would be on the Selection Committee as a large portion  
82 of the audit was focused on golf course operations. She mentioned audit considerations related to  
83 the golf course including pro shop inventory, food waste, and proprietary operating systems (tee  
84 times, events, food orders).

85  
86 Heidi Voordeckers mentioned that the Selection Committee could meet the audit firms prior to  
87 making a decision. She provided a scoring sheet to compare the two firms. She noted the scoring  
88 would be public record to determine the preferred vendor per the criteria. She said the sooner a  
89 determination was made, the sooner the transition process could begin. She shared that the City  
90 Council would approve the audit firm contract.

91  
92 The Committee discussed that as municipal auditing firms in Utah had comparable standards that  
93 the main consideration should be the cost. The Audit Committee determined that the Selection  
94 Committee should return scoring sheets by March 25<sup>th</sup> to ensure the audit firm recommendation  
95 would be on the April 1<sup>st</sup> City Council agenda.

96  
97 5. SET TIME AND AGENDA ITEMS FOR NEXT AUDIT COMMITTEE MEETING

98  
99 Heidi Voordeckers suggested meeting next quarter with the agenda to include meeting the new  
100 auditing firm and other policy work.

101  
102 The Committee determined the next Audit Committee meeting would be held June 17, 2025.

103  
104 6. ADJOURN

105  
106 The meeting was adjourned at 5:42 p.m.

107  
108 *The foregoing was approved by the Audit Committee of the City of North Salt Lake on June 17,*  
109 *2025 by unanimous vote of all members present.*

110  
111  
112  
113 

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*Wendy Page, City Recorder*



# CITY OF NORTH SALT LAKE FINANCE DEPARTMENT

10 East Center Street  
North Salt Lake, Utah 84054  
(801) 335-8700  
(801) 335-8719 Fax

Brian J. Horrocks  
Mayor

Heidi Voordeckers  
Finance Director

## MEMORANDUM

**TO:** Audit Committee Members Horrocks, Baskin, and Jackson

**FROM:** Heidi Voordeckers, Finance Director

**DATE:** 6/17/2025

**SUBJECT:** Proposed amendments to Title 1, Chapter 8 and Title 4, Chapter 3, establishing a hardship assistance program for residential utility customers.

### **BACKGROUND**

The attached draft Hardship Assistance policy incorporates the key points discussed at the December 2024 and March 2025 Audit Committee meetings. The draft presented this evening includes the following changes:

- 1) Change reference from “legal separation” to simply “separation” to better represent a variety of domestic living situations.
- 2) Updated language to allow for the submission of “other substantiated evidence” related to domestic living situations (i.e., police reports, etc.)
- 3) Updated language to allow for an extension of assistance for an additional three-month period with evidence of continued need.
- 4) Clarifying appeals language to better define the appeals procedure.

City staff anticipate presenting this amendment for City Council approval at the July 15, 2025 meeting, with the proposed effective date aligned with the July 1, 2025 utility billing cycle (reflected on the August 2025 billing statements).

### Attachments:

- 1) Hardship Assistance Ordinance Amendment

TITLE 4  
HEALTH AND SANITATION

CHAPTER 3  
GARBAGE AND REFUSE

SECTION:

4-3-6: Service Charges

4-3-6: SERVICE CHARGES:

A. Required: All residents within the City shall pay monthly garbage service charges in such amounts as specified in the comprehensive fee schedule resolution.

B. Vacancies: If a dwelling unit or a place of business has remained vacant for an entire month, the owner or possessor of the site may make arrangements with the **City Recorder utility billing department** for ~~no~~ **reduced** garbage collection charges during the continued vacancy of the premises.

C. Method Of Payment Of Service Charges:

1. The garbage service charges imposed by this section shall be added to the charge made for water furnished through the water system of the City, and shall be billed and collected in the same manner as water service charges are billed and collected.

2. In the event that the obligee for the water service charges and the obligee for the garbage service charges do not coincide, or in the event that practical economic and administrative reasons do not make combined billing and collection feasible, in the opinion of the City Council, the garbage service charges may be collected with such frequency and in such manner as the City Council shall by regulation provide. (Ord. 2018-08, 9-4-2018)

**3. Residential property owners experiencing hardship and meeting specific criteria may apply for assistance as described by City Code 8-1-3(C), "Hardship Assistance".**

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CHAPTER 1  
WATER USE AND REGULATIONS

SECTION:

8-1-3: Fees, Rates And Charges

8-1-3: FEES, RATES AND CHARGES:

A. Rates And Connection Fees: The rates, penalty fee for delinquency in payment, connection fee, reservoir fee, inspection fee and other charges incidental to connection and services from the city water system shall be in such amounts as specified in the

comprehensive fee schedule resolution. The governing body may promulgate rules for levying, billing, guaranteeing and collecting charges for water services and all other rules necessary for the management and control of the water system. Rates for services furnished shall be uniform with respect to each class or classes of service established or that may hereafter be established. (1989 Code § 14-117)

B. Delinquency; Discontinuance Of Service:

1. The City shall provide a utility bill containing the utility service charges assessed to each customer once a month. The utility bill may be sent electronically, or by mail.
2. The utility bill shall specify the amount charged for utility service, the available methods of payment, and the date payment is due.
3. Utility bills shall be delivered by the twentieth of each month for services provided during the previous month. The due date for the utility bill shall be the last day of the same month as the utility bill is delivered.
4. Delinquent Notification Procedure:
  - a. If utility bills are not paid by the fifteenth of the following month, a notice of "Past Due" amount will appear on the customer's next utility bill.
  - b. If the past due amount remains unpaid thirty (30) days after the original due date within ten (10) days an automated voice message call will be sent to the telephone number the customer has provided as their primary contact.
  - c. If the past due amount remains unpaid sixty (60) days after the original due date within ten (10) days the City will attempt a direct call (not automated) to the telephone number the customer has provided as their primary contact.
  - d. If the bill is not paid within twenty four (24) hours of the direct call the City may disconnect the delinquent customer from water services.
  - e. Shut-offs for non-payment may be done not sooner than a delinquency of at least sixty five (65) days or when two (2) monthly payment due dates have passed without payment.
  - f. After water service is disconnected, the City will only reconnect the delinquent customer when the total charges are paid in full or other arrangements are made with approval of the Finance Director or City Treasurer.
5. The City is hereby authorized and empowered to enforce the payment of all delinquent water charges by an action of law in the name of the City. (1989

Code § 14-121; amd. 2012 Code; Ord. 2021-07, 8-17-2021; Ord. 2022-03, 6-7-2022; Ord. 2023-14, 11-7-2023)

### C. Hardship Assistance

The City of North Salt Lake recognizes that residents may experience temporary financial hardship due to unforeseen circumstances. This policy establishes a hardship assistance program that provides a 50% billing reduction on utility charges for up to three consecutive months for qualifying customers under the following guidelines:

1. Eligibility Criteria. To qualify for hardship assistance, applicants must meet the following criteria:
  - a. Account Holder Status:
    - i. The applicant must be the named account holder for a residential utility account within the City of North Salt Lake.
    - ii. The account must be in good standing for at least six (6) months prior to applying.
  - b. Demonstrated Financial Hardship:
    - i. The applicant must provide documentation proving financial hardship due to one or more of the following reasons:
      1. Job Loss or Reduced Work Hours: Unexpected job loss or significant reduction in work hours within the last six (6) months.
      2. Medical Hardship: Significant out-of-pocket medical expenses exceeding 10% of household income.
      3. Natural Disaster: Home or primary residence damage due to a declared disaster (e.g., flood, earthquake, wildfire).
      4. Disability: Temporary or permanent disability affecting the ability to work and meet financial obligations.
      5. Death, divorce, or legal separation from an immediate household member resulting in significant reduction in household income within the last six (6) months.
  - c. Household income must be at or below 150% of the Federal Poverty Level (FPL), as published annually by the U.S. Department of Health and Human Services (HHS).
2. Application. Applications for assistance must include the following:
  - a. Completed Hardship Assistance Application Form.
  - b. Proof of Hardship (One of the following):

- i. Job Loss: Termination letter, unemployment benefit statement, or severance agreement.
  - ii. Medical Expenses: Copies of medical bills, insurance claim denials, or a physician's certification.
  - iii. Natural Disaster: FEMA determination letter, insurance claim, or city/state emergency declaration.
  - iv. Disability: Social Security Disability Insurance (SSDI) letter, physician's statement, or disability benefits approval.
  - v. Death, divorce, or separation: Death certificate, finalized divorce decree, **or legal** separation agreement, **or other substantiated evidence**.
- c. Proof of Income (One of the following):
  - i. Most recent pay stubs (last two months), most recent tax return (1040 form), or Social Security, Disability, or Unemployment benefits statement.

### 3. Verification & Approval.

- a. The utility billing department will confirm all required documentation is submitted. Incomplete applications will be returned with a request for missing documents.
- b. The City reserves the right to verify hardship claims by contacting employers, medical providers, insurance agencies, or government entities.
- c. Applicants will receive written notification of decision within fifteen (15) business days of submission.
- d. If approved, the 50% billing reduction will be applied to the next billing cycle for up to three (3) consecutive months.

### 4. Program Extension.

- a. Applicants who have been approved for hardship assistance may request an extension of up to three (3) additional months. Such requests must be submitted in writing to the City prior to the expiration of the initial assistance period.
- b. Approval of an extension shall be contingent upon the applicant's demonstrated ongoing need for assistance.

### 5. Program Limitations & Funding.

- a. No applicant may receive hardship assistance for more than ~~three (3)~~ **six (6)** months within a 36-month period.

- b. The City may suspend or modify this program for any reason, including funding availability.
6. Appeals. Any applicant who is denied hardship assistance shall be notified in writing and provided with information regarding their right to appeal. ~~may request a hearing before the Administrative Law Judge to appeal the decision to deny.~~
- a. An applicant may file a written appeal to the City Recorder within ten (10) business days of the date of the denial notice. ~~A request shall be in writing, on a request form provided by the City.~~
  - b. The appeal shall be heard by the City's designated Administrative Law Judge (ALJ) in accordance with statutory municipal administrative hearing procedures:
    - i. The City shall provide applicant with written notice of hearing time, date, and location.
    - ii. At the hearing, the applicants will be allowed to present evidence, call witnesses, and be represented by counsel.
    - iii. The City shall maintain an official record of the hearing, including audio/visual recordings or transcripts.
    - iv. Following the hearing, the ALJ shall issue a written decision whether the applicant demonstrated continued need and may affirm, reverse, or remand the denial.
    - v. The written decision shall be mailed to the applicant within thirty (30) days of the hearing.
  - c. ~~The form shall be filed with the City Recorder or designee and signed by the person named in the hardship application.~~



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Brian J. Horrocks  
Mayor

Heidi Voordeckers  
Finance Director

## MEMORANDUM

**TO:** Audit Committee Members Horrocks, Baskin, and Jackson

**FROM:** Heidi Voordeckers, Finance Director

**DATE:** June 17, 2025

**SUBJECT:** Presentation of Annual Fraud Risk Assessment

### **BACKGROUND**

The Utah State Auditor's Office implemented the Fraud Risk Assessment in December 2020 as a tool for governmental entities to assess their level of risk for fraud, waste, and abuse in their organizations. Each year, in accordance with the Fraud Risk Assessment Implementation Guide, the Finance Director completes a Fraud Risk Assessment for review by the City Manager, presentation to the City Council, and finally submission to the Utah State Auditor's Office.

### **SUMMARY**

Attached to this memorandum is the annual risk assessment prepared for financial activities conducted in Fiscal Year 2024-2025. During this period, the City maintained a Fraud Risk Level of "Very Low", with a total score of 365 out of 395. This score falls into the lowest (best) possible risk classification, which the City has maintained since 2020.

The finance team meets regularly to assess internal processes and discuss the effectiveness of the mitigating controls established to protect the City and its employees from risk of fraud. This includes measures to limit the opportunity to engage in fraudulent activity, such as dual controls and routine review of financial transactions.

The City could further strengthen its Fraud Risk Assessment score by adopting/implementing and training staff on the following written policies and functions:

- IT and Computer Security Policy (5 points)
- Cash Receipting and Deposit Policy (5 points)
- Formalize an Internal Audit Function (20 points)

Attachments:

- 1) FY 2025 Fraud Risk Assessment

# Fraud Risk Assessment

Continued

\*Total Points Earned: 365/395 \*Risk Level: Very Low Low Moderate High Very High  
 > 355      316-355      276-315      200-275      < 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	<input checked="" type="checkbox"/>	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	<input checked="" type="checkbox"/>	5
b. Procurement?	<input checked="" type="checkbox"/>	5
c. Ethical behavior?	<input checked="" type="checkbox"/>	5
d. Reporting fraud and abuse?	<input checked="" type="checkbox"/>	5
e. Travel?	<input checked="" type="checkbox"/>	5
f. Credit/Purchasing cards (where applicable)?	<input checked="" type="checkbox"/>	5
g. Personal use of entity assets?	<input checked="" type="checkbox"/>	5
h. IT and computer security?	<input type="checkbox"/>	5
i. Cash receipting and deposits?	<input type="checkbox"/>	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	<input checked="" type="checkbox"/>	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	<input checked="" type="checkbox"/>	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	<input checked="" type="checkbox"/>	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training ( <a href="http://training.auditor.utah.gov">training.auditor.utah.gov</a> ) within four years of term appointment/election date?	<input checked="" type="checkbox"/>	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	<input checked="" type="checkbox"/>	20
7. Does the entity have or promote a fraud hotline?	<input checked="" type="checkbox"/>	20
8. Does the entity have a formal internal audit function?	<input type="checkbox"/>	20
9. Does the entity have a formal audit committee?	<input checked="" type="checkbox"/>	20

\*Entity Name: City of North Salt Lake

\*Completed for Fiscal Year Ending: June 30, 2025 \*Completion Date: May 28, 2025

\*CAO Name: Ken Leetham \*CFO Name: Heidi Voordeckers

\*CAO Signature:  \*CFO Signature: 

\*Required

# Basic Separation of Duties

See the following page for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A". <small>Utility account adjustments are prepared by the Utility Billing Clerk, reviewed by the City Treasurer, and Approved by the Finance Director.</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Are all the people who have access to blank checks different from those who are authorized signers? <small>Checks require dual signatures, and a log of check inventory is kept by the Treasurer and reviewed by the Finance Director.</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements? <small>Both the Finance Director (reconciler) and Treasurer have independent access to online bank statements.</small>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* MC = Mitigating Control