

AUDIT COMMITTEE

Video via Zoom
www.milwaukieoregon.gov

MINUTES

AUGUST 19, 2024

Member Golos called the Audit Committee meeting to order at 5:33 p.m.

Present: Mack Golos, Mona Henry, Robert Massey, and Mary Rowe

Absent: Matt Dake

Guest: Ashley Osten, Moss Adams
Kelly Jones, Moss Adams

Staff: Assistant Finance Director Matt Deeds
Finance Director Michael Osborne
Accountant Judy Serio

1. CALL TO ORDER AND INTRODUCTIONS

2. APPROVAL OF MINUTES

Member Rowe made a motion to approve the January 22, 2024 and the May 13, 2024 minutes as written. Member Massey seconded the motion.

Motion passed with the following vote: Golos, Henry, Massey, Rowe voting “aye.” (4:0)

3. COMMUNITY COMMENTS

None

4. REVIEW OF FY24 AUDIT RISK ASSESSMENT AND SCOPE

Osborne introduced **Matt Deeds** as the new Assistant Finance Director who started in June 2024. **Emma Sagor** has been named the new City Manager. **Ashley Osten** and **Kelly Jones** both from Moss Adams, were introduced to the committee. The interim audit took place the week of August 5th. Staff are drafting workpapers with a goal to complete by end of September; the earlier deadline will allow for the city to meet the December 31st audit deadline.

Osten began by thanking the committee for hiring Moss Adams to complete the city's audit. Audit staff is excited to work with the city and staff and welcome any questions from the committee. Audit team members were introduced. The firm's responsibilities are to assess the financial statements prepared by the city.

Jones presented the audit process which is a risk-based approach; testing of internal controls, analytical procedures to review revenue and expenses, and substantive procedures that will examine objective evidence for validity will all take place during the audit. Moss Adams will determine materiality using qualitative and quantitative factors where significant risk areas, nature/timing of test work and findings/misstatements can be

identified. Milwaukie's significant audit areas will include cash and investments, revenue recognition, capital assets, pension and other-post employment benefits and completeness of long-term liabilities related to the financial statements. The audit will also include consideration of fraud and identify any fraud-related risks of material misstatement, if any. The audit timeline was provided to the committee.

Osten stated there are no new standard for FY 2024. For FY 2025, there are two new standards related to compensated absences and risk disclosures. For FY 2026, there is one standard related to the financial reporting model. The Moss Adams' website resources for upcoming GASB standards, industry specific updates, along with webcasts.

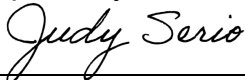
5. DISCUSSION BETWEEN COMMITTEE AND AUDITORS

Staff left the Zoom meeting.

6. ADJOURN

The meeting was adjourned at 5:56 p.m.

Respectfully submitted,



Judy Serio, Secretary / Accountant