

**Minutes of Meeting
Elected Officials
May 18, 2016
9:00 a.m.**

The Kootenai County Board of Commissioners: Chairman Dan Green and Commissioner David Stewart met to discuss the following agenda items. Also present were Clerk Jim Brannon, Chief Deputy Clerk Pat Raffee, Finance Director Dena Darrow, Coroner Warren Keene, Treasurer Steve Matheson, Chief Deputy Treasurer Laurie Thomas, Assessor Mike McDowell, Chief Deputy Assessor Richard Houser, Prosecutor Barry McHugh, Chief Deputy Prosecutor Barry Black, Undersheriff Dan Mattos, Human Resources (HR) Director Skye Reynolds, and Deputy Clerk Alicia Lynch. Also present was citizen Tina Kunishige. Commissioner Marc Eberlein was excused.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 9:00 a.m.
- B. Changes to the Agenda:** There were no changes to the agenda.
- C. Business:**

Status Change Form/ Affordable Care Act (ACA) Reminder

HR Director Skye Reynolds provided an in-depth presentation of the ACA impacts to the County. She reported that the County had successfully executed the benefits plan design changes and the County's medical plans were in compliance with ACA. Ms. Reynolds said the County had successfully created and distributed 1095c forms, which proved or disproved that employees had government accepted insurance. She explained that the Internal Revenue Service had yet to approve the County's 1095b report transmittal, a document proclaiming that the County was in compliance regarding offering government accepted insurance to its employees.

Ms. Reynolds detailed the challenges the County experienced with making the ACA changes including: LOGOS (the County's accounting software) cannot track employees to ACA standards or handle the expanded employment type variation, which requires personnel to manually track outliers; the evolving standards regarding temporary employees had required further staff monitoring and new procedures; and ACA's requirements were not in alignment with the County's policies or Public Employee Retirement System of Idaho (PERSI) standards.

Ms. Reynolds exited the meeting at 9:31 a.m.

Fixed Asset Manual

Staff Accountant Leighanna Ward gave a brief presentation on the updated Fixed Asset Manual. She said that the manual had not been updated in 19 years and its use could ensure consistency County-wide. Ms. Ward said that the County had 3,300 Fixed Assets in inventory valued at \$167 million, which included County buildings and properties.

Ms. Ward explained that fixed asset inventories would be conducted every other year. She answered questions on the flowcharts in the manual. She also reviewed the new Fixed Asset Form and noted that it was now on KC Place.

Chairman Green requested Ms. Ward present the Fixed Asset Manual at the Department Heads meeting at 4:00 p.m.

Logos Internal Audit Results

Clerk Jim Brannon said that guidelines had been created governing LOGOS use in response to concerns that he and Treasurer Steve Matheson shared. He explained that the County's departments were now budgeting for new LOGOS licenses in order to eliminate the use of generic logins, and that access was limited to functions that the user's job required.

Internal Audit Committee

Clerk Brannon reported that the external auditor CliftonLarsonAllen recommended changing the internal audit reporting line from the Clerk, to either the Board or an audit committee. Clerk Brannon said he completely supported this recommendation. He noted that Prosecutor Barry McHugh and Treasurer Matheson had been present at the May 10, 2016, meeting when the Board discussed the possible creation of an audit committee. Clerk Brannon suggested the internal audit team report to the Board because the team was like the HR department, which served the entire County but reported to the Board. He added that the current reporting structure made it difficult for the Clerk to audit its own departments.

Ms. Reynolds rejoined the meeting at 9:42 a.m.

Chairman Green remarked that the Commissioners had no more authority than the Clerk to direct other Elected Officials. He said he would support a small internal audit committee with a yearly rotation of Elected Officials. Assessor Mike McDowell said that the committee should be representative of all Elected Officials, and he supported the proposed concept of a single vote for the Commissioners.

Treasurer Matheson said he supported a committee represented by each Elected Official and that Elected Officials would choose their level of participation in internal audits. He added that the committee should not be all powerful, but if the committee selected the internal audit staff and agreed on the scope of audits then he did not see any reason for an Elected Official to refuse an audit. Treasurer Matheson said he did not see a benefit to moving the internal audit function to the BOCC reporting structure, since the BOCC would have the same challenges the Clerk presently faced. He said that if the Elected Officials decided against an audit committee then he asked whether they wanted an internal audit function at all.

Undersheriff Dan Mattos said that more definition was needed and he'd prefer to see a written document. Finance Director Dena Darrow spoke in favor of a small independent committee to avoid pushing agendas and advocated for an internal audit function within

the County. Assessor McDowell said that he believed a larger committee was less likely to have an agenda and would build greater credibility.

Chairman Green requested volunteers to draft a Memorandum of Understanding that would define the committee, the internal audit team, and the audits they would perform. No volunteer stepped forward.

Clerk Brannon asked if the internal audit function remained under his reporting structure and was not supported by a committee, whether he could disband the team on his own. Chairman Green replied that it was within his rights to do so. Assessor McDowell said that the audit function was currently needed, but he was not convinced it was an ongoing need.

Undersheriff Mattos said he would like to discuss the topic further at another meeting. Prosecutor McHugh agreed that more information was needed and he would also like to have another meeting to discuss the audit committee. Chairman Green agreed to schedule a follow up meeting with all of the Elected Officials.

Clerk Brannon exited the meeting at 10:03 p.m.

D. Public Comment: This section is reserved for citizens wishing to address the Board regarding a County related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing.

Undersheriff Mattos asked if Sheriff Personnel could attend the Department Heads meeting so they could see the Human Resources and Fixed Asset presentations. Chairman Green said that Sheriff Personnel would be welcome at the meeting.

Chairman Green adjourned the meeting at 10:04 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: _____
Alicia Lynch, Deputy Clerk
