



RESOLUTION 11-03-2024

A RESOLUTION APPROVING THE REQUIRED ANNUAL FRAUD RISK ASSESSMENT

WHEREAS, the Office of the State Auditor (OSA) requires that each local governmental entity completes an annual Fraud Risk Assessment before the end of each fiscal year starting with the current fiscal year; and

WHEREAS, the Santaquin City Manager, Santaquin City Finance Director and Santaquin City Treasurer completed said audit (see attached) which is now available for review, consideration and possible approval by the Santaquin City Council; and

WHEREAS, many of the best practices outlined by the OSA were already in place while others recommendations are in the process of being implemented;

NOW THEREFORE, be it resolved by the Santaquin City Council to accept and approve the attached annual Fraud Risk Assessment for Santaquin City for FY2024.

ADOPTED AND PASSED by the City Council of the City of Santaquin, Utah this 5th day of November, 2024.

CITY OF SANTAQUIN

Daniel M. Olson, Mayor

Attest:

Amalie Ottley, City Recorder

| | |
|---------------------------------|-----------|
| Councilmember Art Adcock | Voted ___ |
| Councilmember Brian Del Rosario | Voted ___ |
| Councilmember Travis Keel | Voted ___ |
| Councilmember Lynn Mecham | Voted ___ |
| Councilmember Jeff Siddoway | Voted ___ |

Fraud Risk Assessment

Continued

*Total Points Earned: 360 /395 *Risk Level: Very Low > 355 Low 316-355 Moderate 276-315 High 200-275 Very High < 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? | Yes | 200 |
| 2. Does the entity have governing body adopted written policies in the following areas: | | |
| a. Conflict of interest? | Yes | 5 |
| b. Procurement? | Yes | 5 |
| c. Ethical behavior? | Yes | 5 |
| d. Reporting fraud and abuse? | | 5 |
| e. Travel? | Yes | 5 |
| f. Credit/Purchasing cards (where applicable)? | Yes | 5 |
| g. Personal use of entity assets? | Yes | 5 |
| h. IT and computer security? | Yes | 5 |
| i. Cash receipting and deposits? | Yes | 5 |
| 3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team? (CPFA) | Yes | 20 |
| a. Do any members of the management team have at least a bachelor's degree in accounting? | | 10 |
| 4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior? | Yes | 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 (training.auditor.utah.gov) within four years of term appointment/election date? | Yes | 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? | Yes | 20 |
| 7. Does the entity have or promote a fraud hotline? | Yes | 20 |
| 8. Does the entity have a formal internal audit function? | Yes | 20 |
| 9. Does the entity have a formal audit committee? | | 20 |

*Entity Name: Santaquin City

*Completed for Fiscal Year Ending: 6/30/2024 *Completion Date: 11/5/2024

*CAO Name: Norm Beagley *CFO Name: Shannon Hoffman

*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? | X | | | |
| 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? | X | | | |
| 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". | | X | X | |
| 4. Are all the people who have access to blank checks different from those who are authorized signers? | | X | X | |
| 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? | X | | | |
| 6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts? | X | | | |
| 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". | | X | X | |
| 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". | X | | | |
| 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". | X | | | |
| 10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services? | X | | | |
| 11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A". | X | | | |
| 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". | X | | | |

* MC = Mitigating Control