

Kobuk Activity Report

Margaret Hansen, LGS/RUBA, Kotzebue Regional Office

General Information:

In January Margaret Hansen, LGS/RUBA in the Kotzebue office, provided on-site training and assistance on the city's year end tax reporting, including their FY 99 audit by coordinating with the CPA firm Wilson & Wilson. Margaret worked with the Utility Manager on her Alaska Native Health Board (ANHB) report. Margaret also provided training on the Power Cost Equalization (PCE) report. In addition Margaret researched their ordinance on council hire and responded to the Mayor and council that the newly elected water plant operator has to step down since the ordinance states that council members can only be hired for temporary jobs of six months or less. The operator works two weeks on/off all year round. Margaret also researched their insurance since the city building water pipes froze which resulted in a lot of water damage upstairs and downstairs. Their insurance will be able to pay for the repairs. During this same trip Margaret had to mediate a disagreement between the administrator and temporary clerk and provided the auditor with information needed on leave accruals.

In March Margaret provided more on-site training and assistance to staff and the Mayor on a previous employee embezzlement of funds ensuring they will follow their agreement with AML on termination of an employee, assist and train the acting utility manager on ANHB grant reports for reimbursement which was due to close in a couple of days. Margaret also assisted and coordinated with the engineering firm on their landfill CDBG project, monthly financial reports presented to the council as well as provide them with an grant update.

Once they hire a new city clerk and utility manager, the CPA firm and Margaret will travel to the city to provide Quick Books Pro training and review their audit report and letter to management with the council and staff.

Observations and Recommendations:

Finances — With the changes in personnel, monthly reports are late and recording into the journals is a problem. They still have maintained a very positive cash flow making sure expenditures are approved per budget.

Accounting Systems — Because of staff turnover, they still need to receive Quick Books Pro training but they have completed their audit.

Tax Problems — No tax problems.

Personnel System — The council has asked Margaret to wait on doing a personnel policies review until they have hired their city clerk and utility manager.

Organizational Management — We still need to revise this and it is scheduled to be done during personnel policy review.

Leadership/Governance — They need to determine if the Mayor, who is also their airport manager, does not meet temporary employment qualifications. Margaret will provide the council training on their audit and letter to management during our next trip.

Operation of Utility — They have hired an alternate to the alternate who has since received OIT training. The operations of the utility seems to be going fine.

Ranking

1 = Inadequate

4 = Adequate to meet minimum requirements

7 = Exceeds requirements

| Category | 1 | 4 | 7 |
|---------------------------|----------|----------|----------|
| Finances | | X | |
| Accounting Systems | | X | |
| Tax Problems | | | X |
| Personnel System | | X | |
| Organizational Management | | X | |
| Leadership/Governance | | X | |
| Operation of Utility | | X | |