

## Meeting Minutes

### Audit Committee

Monday, August 24, 2009

3:00 p.m.

#### **1. Opening Remarks/Roll Call**

Chairman Williams called the meeting to order at 3:11 p.m.

##### **Present:**

Rick Williams, Chairman  
Barbara Chick

Preston Edwards

##### **Staff:**

Bill Dollar  
George Kauffman  
Craig Hametner  
Melissa Ewing  
Jeff Janke

Bryan Bradford  
Steve Anderson  
Jed Johnson  
Patrick Wilson  
Don Daugherty

#### **2. Consider approval of the minutes from the meeting of July 13, 2009.**

Motion was made to approve the July 13, 2009 minutes by Barbara Chick

Motion seconded by Preston Edwards

Motion was approved

#### **3. Cash Count Audit**

Melissa Ewing presented the Recommendations.

There was a question from Chairman Williams regarding what Petty Cash is used for and asked for examples of Petty Cash reimbursements. Melissa Ewing, Audit Analyst, explained that the Petty Cash funds are used to reimburse employees up to \$75 for City related expenses. Examples provided were for mileage reimbursement, travel related expenses and supply reimbursements.

Councilmember Chick inquired about P-Cardholders receiving Petty Cash reimbursements. Melissa explained that an assessment was done in relation to those P-Cardholders who received Petty Cash. The Petty Cash reimbursements sampled showed that those P-Cardholders who did receive Petty Cash reimbursements were for expenses that could not be used with a P-Card, for

example, mileage reimbursements and travel related expenses. Steve Anderson, Accounting Manager, explained that Petty Cash is used for expenditures that you can not use your P-Card for.

In regards to the daily deposit requirements, Councilmember Chick questioned why change fund departments could not make deposits everyday. Bill Dollar, City Manger, responded stating that it is mostly due to staffing problems and resources. Bill commented that it is more appropriate for some departments to make deposits on a weekly basis. Councilmember Chick also asked where these funds were located and locations were provided.

Chairman Williams inquired about the City Manager signing waivers and Bill explained the uniqueness of each department and how he would feel comfortable having the Financial Services Managing Director, George Kauffman, or the Accounting Manager, Steve Anderson, sign the waivers. Chairman Williams asked about updating the directive. George said it would be difficult to address all the differences relating to each department's deposit circumstances. George explained that the waiver would be a one time signing and said that the directive would be tightened to reflect deposit requirements. Chairman Williams agreed with the recommendation knowing that it would be signed by the City Manager on a one time basis for a period of time. Councilmember Chick expressed a need for a dollar amount in regards to the waiver and George commented that Finance will be tightening the directive.

Councilmember Chick asked about dual control over the records and the cash counting. Councilmember Chick expressed concern if the money ever came up short, are there security procedures in place for counting the cash. Melissa explained that departments do have the change funds secured and at the time of the count, multiple employees observed the count. Councilmember Chick inquired about who has responsibility for the cash on a daily basis and commented that the employees need protection along with the taxpayers. It was noted that locked bags and/or drawers are used when collecting money and the funds are counted by the employees and by the Change Fund custodians.

There were no additional questions from the Audit Committee.

#### **4. Proposal for Outside Audit Services**

City Auditor, Craig Hametner, addressed the six outside audit service bids and explained the overall scoring process for the firms.

Chairman Williams asked for the bid amounts for each of the firms and that information was provided. George explained the costs associated with each firm and the services they would provide. George commented on the City's own risk assessment that is currently being done that can be provided to the chosen firm.

Chairman Williams asked if this risk assessment came from a recommendation made by Deloitte and George confirmed that it did.

Councilmember Edwards inquired about each of the firm's ability to perform. Craig commented that five of the six could adequately perform and George commented that four could adequately perform.

Chairman Williams addressed that one of the Council audit policies suggests that the City change audit firms periodically. George commented that one of the Government Finance Office Association recommended practices states that every five years everyone should undergo the RFP process. George explained the benefits of retaining the same audit firm and how Deloitte will be rotating their audit staff and director if chosen again.

Chairman Williams asked if the bids are normally brought up for a full Council vote. George and Chairman Williams discussed that it would be brought up at the next work session. Chairman Williams, Councilmember Edwards and Councilmember Chick agreed on Deloitte.

## **5. Adjournment**

The meeting was adjourned at 3:48 p.m.