Meeting Minutes

Audit Committee

Monday, April 13, 2009
3:00 p.m.

1. **Opening Remarks/Roll Call**

   Chairman Williams called the meeting to order at 3:01 p.m.

   Present:
   Rick Williams, Chairman
   Barbara Chick
   Preston Edwards

   Staff:
   Bryan Bradford
   Craig Hametner
   Liz Romero
   Ray Schwertner
   Tom Hancock
   David Schuler
   George Kauffman
   Jed Johnson
   Melissa Ewing
   Greg Vetrano
   Steve Anderson

   Deloitte Staff:
   Reem Samra

   Absent:
   Bill Dollar

2. **Consider approval of the minutes from the meeting of March 23, 2009.**

   Motion was made to approve the March 23, 2009 minutes by Preston Edwards
   Motion seconded by Barbara Chick
   Motion was approved

3. **Deloittte Presentation**

   Craig presented Partner-in-Charge, Reem Samra from Deloitte.

   Reem presented to the Audit Committee the 2008 Governance Letter, Management Letter, Single Audit and Comprehensive Annual Financial Report (CAFR).

   The Management Letter indicated no material weaknesses for Year ended September 30, 2008. One significant deficiency which was of concern for the

Audit Committee was the “Ineffective Password Controls.” Barbara Chick expressed concern since this issue was brought up last year. Steve Anderson stated that IT is diligently working on this issue. Password controls have been updated on the financial system where users are required to update their passwords. The system before did not require password changes.

The CAFR was presented. Reem pointed out that paragraph three of the Independent Auditor’s Report indicated an unqualified or clean opinion. An item pointed out was a special item to report the impairment of electric generation assets. The electric generation assets were adjusted for impairment as defined in GASB 42 due to the implementation of the new business strategy. As a result of the reduction in electric generation, the City was able to sell allocated emissions credit allowances that were not needed.

Discussion of the Governance Letter concerned the uncorrected misstatements. As Deloitte and staff stated most of the adjustments were about reclassifications. A large part of the Governance Letter includes management representations.

The Single Audit was also presented. The Committee did not have any questions on the Single Audit.

4. Adjournment

The meeting was adjourned at 3:59 p.m.