

**City of Fort Lauderdale
Audit Advisory Board
June 6, 2005**

<u>Members in Attendance</u>	<u>Absent/Present</u>	<u>Cumulative from January '05</u>	
		(P)	(A)
Harry Sweeney, Chairperson	P	2	0
Norman Thabit, Vice Chairperson	P	2	0
*John Aurelius	P	1	0
Tom Jordan	P	2	0
Kevin Blair	A	1	1

*New Committee Member

Ex-Officio Members

Bernard Wray, Director of Finance
Raymond Mannion, Former Director of Finance
Joanne Rizi, Controller

Others

Allyson Love, Director of Office of Management and Budget
Tom Bradley, Partner, Ernst & Young LLP
Linda Cohen, Secretary III to Director of Finance

Absent

Stephen Scott, Assistant City Manager

Chairperson Sweeney called the meeting to order, and a roll call confirmed that a quorum was present. The Board unanimously approved the Draft Minutes of the February 14, 2005 Audit Advisory Board Meeting.

John Aurelius, Former City Commissioner, was introduced and welcomed to the Board.

Tom Bradley presented the draft of the A133 Report. He advised that there were no findings and that the report was to be bound into the City's CAFR. He discussed financial reporting & compliance, the Single Audit Report, internal controls and the Federal and State schedules. He stated that two federal grant programs were tested. It was also noted that there are no non-compliance matters in the State area and no findings with DOT. Mr. Bradley satisfactorily answered Disaster Relief questions (Homeland Security) raised by Norm Thabit.

Discussion regarding unspent bond funds ensued. Questions were raised about what to do with the funds – whether they should be used for a CIP project or to service the debt. It was agreed that there are sufficient projects available for these funds to be used and that it is imperative this money be spent. Engineering to examine all projects and provide a list of priority projects. Report to be done for the next meeting to advise how

we are going to use these funds. Any appropriation of undesignated funds for a CIP project would have to go before the City Commission.

The timeline for implementation of Ernst & Young recommendations was discussed at length. Several have already been implemented, and Payroll has been reconciled. However, there were many challenges, including the changeover from Bank of America to Wachovia, as well as some technical issues. Many old issues were taken care of, but were replaced by new ones. Due to vacant positions, Allyson Love advised that she did not have the staff to review the notes receivable, an OMB task. They are working on grant audits. The City has approximately \$9.3 million in outstanding mortgages and loans issued under the City Block Grant Program. Allyson further advised she would begin this work as soon as she has the staff. The Board still requires a summary report for the next meeting regarding what has not been implemented.

Ernst and Young made a recommendation a year ago that the City should consider having periodic internal audits. Stagnant funds were also discussed.

Procedures were discussed at the meeting to examine what is in place in case an employee has a need to communicate any issues. Who would they contact? Is there a way to disseminate information, perhaps a web page? Is there a "whistle blower" procedure? Allyson Love offered to follow up to see what is in place with the Office of Professional Standards. There was additional conversation regarding a hotline.

A search firm for a City Auditor was on the agenda at the June 7 City Commission meeting. Discussion will continue at the next meeting.

Allyson agreed with the Board that her topics for review from the last meeting would be covered at the next meeting.

The Enterprise funds were talked about. In addition, there were questions related to the planning and preparations being made for the next audit beginning in early August. The Board also talked about the selection of a new external auditor and agreed to review the process at an appropriate time.

It was agreed to schedule the next meeting in August. .