

**City of Fort Lauderdale  
Audit Advisory Board  
Minutes of February 27, 2006 Meeting**

<u>Members in Attendance</u>	<u>Absent/Present</u>	<u>Cumulative from January '05</u>	
		(P)	(A)
Harry Sweeney, Chairperson	P	4	0
Norman Thabit, Vice Chairperson	P	4	0
John Aurelius	P	3	0
Kevin Blair	P	3	1

Ex-Officio Members

Raymond P. Mannion, Director of Finance  
Joanne Rizi, Controller

Others

Stephen Scott, Assistant City Manager  
Allyson Love, Director, Office of Management & Budget  
Renee Foley, Assistant Internal Audit Director  
Tom Bradley, Partner, Ernst & Young LLP  
Alyson Silva, Senior Manager, Ernst & Young LLP  
Claudia Dixon, Manager, Ernst & Young LLP  
Linda Cohen, Finance Administration

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 September 19, 2005 Audit Advisory Board Meeting.

Mr. Sweeney noted that all Advisory Boards are now required to meet in the Commission Chambers or the 8<sup>th</sup> Floor Commission Conference Room. New parking passes were requested and the Board was assured that they would be mailed in time to have them for the next meeting. Members of the Board were advised that Mark LaFontaine was no longer living in the City of Fort Lauderdale and had resigned his position. A replacement for his seat on the Board would be chosen following the March 14<sup>th</sup> Election in District II.

The DRAFT Comprehensive Annual Financial Report (CAFR) for FYE 9/30/05 was reviewed by the Audit Advisory Board. A request was made by the Board that, in the future, the DRAFT be received earlier than the Friday before a Monday meeting. The Board discussed outstanding debt, reconciliation of the Government funds, long-term liabilities and the cemetery fund. Members of the Board advised staff that this was a very clean report.

Tom Bradley, Partner at Ernst & Young LLP introduced Alyson Silva, Sr. Manager of the audit, and Claudia Dixon, Manger related to the Single Audit. They each presented their portion of the E & Y report, "Audit Results and Communications" to the Audit Advisory Board and Management, and answered questions posed to them by members of the Board. There was discussion regarding the Management Letter and Responses, remarks regarding Katrina, the Flagler Park property, and Utility Billing. It was noted that there were no incidents of fraud to report to the Commission. Additionally noted was that Ernst & Young should have a comment in the Management Letter stating that the auditors are to follow-up on comments. Mr. Thabit discussed the implementation of filling the position of Commission Auditor, as well as a letter to the Commission related to the status of this issue. It was requested by the Board that the Findings and Recommendations be reviewed six months after the filing of the Management Letter. Allyson Love proposed targeting dates of implementation and recommended having estimated completion dates. This item is to be placed on the Agenda for the next regularly scheduled meeting. It was stated and agreed that the City is in much better financial condition.

GASB pronouncements were discussed. References were made to several items, including the upcoming RFP related to other Post Employment Benefits (GAS 43 and 45). Joanne Rizi advised that we are putting out an RFP in the current year for actuarial evaluations.

Discussion ensued as to the status of Internal Audit Reports related to Cost Savings. The Board advised that some action should be taken if money is being lost. Allyson Love reported that out of 11 issues, six have not been implemented. Staff is to provide an update on the implementation status of Internal Audit recommendations at the next regularly scheduled meeting.

An RFP is being drafted regarding the selection of an external auditor and the Board is to be copied with the draft. An April timeframe for the RFP to go out was discussed, after receiving comments from the Board, with the expectation of having an auditor engaged by early summer. It will be researched to find out who is to sit on the Selection Committee. There was dialogue with respect to the length of the contract as to whether it should be issued for five years without extensions or for three years with two one year extensions.

It was decided that future advisory board meetings always be held at 5:00 P.M. and that the next Audit Advisory Board meeting be scheduled for April 24<sup>th</sup>, the second Monday after April 15<sup>th</sup>.

Items to appear on the next agenda:

- Report from Allyson Love
- Audit RFP
- Management Letter Follow-up
- City Auditor Progress

The meeting was adjourned at 6:25 P.M.