

**City of Fort Lauderdale
Audit Advisory Board
Minutes of December 4, 2006 Meeting**

<u>Members In Attendance</u>	<u>Absent/Present</u>	<u>Cumulative from January '05</u>	
		(P)	(A)
Harry Sweeney, Chairperson	A	4	1
Norman Thabit, Vice Chairperson	P	5	0
Kevin Blair	P	4	1
Mike Moskowitz	P	1	0

Ex-Officio Members

Betty J. Burrell, Director of Finance
Joanne Rizi, Controller
Jim Behrendt, Controller

Others

Stephen Scott, Assistant City Manager
John Herbst, City Auditor
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
Patrice Jones, Manager, Ernst & Young LLP
Cynthia Borders-Byrd, C. Borders-Byrd, C.P.A.
Robert Bates, Director, Office of Professional Standards
Linda Cohen, Administrative Aide

Vice Chairperson Thabit 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 27, 2006 Audit Advisory Board Meeting.

New members of staff were introduced, John Herbst, City Auditor, and Jim Behrendt, Controller. Mike Moskowitz was introduced as the newest member of the Board. Following introductions, each Board member gave a brief summary of their professional background.

Tom Bradley, Partner at Ernst & Young LLP (E & Y) introduced Alison Silva, Senior Manager of the Engagement, and Patrice Jones, Manger. Mr. Bradley also introduced Cynthia Borders-Byrd, C. Borders-Byrd, C.P.A., whose firm is handling the Single Audit work. Each representative of E & Y presented their portion of the 2006 Audit Planning Report to the Audit Advisory Board and Management. Describing their risk-based approach and outlining the many guidelines they are required to follow, they gave an overview of the audit process including AAB Communications, the areas of emphasis for financial statement accounts and disclosures and their timetable. They answered questions posed by members of the Board. Tom Bradley asked the Board members if

they were aware of any incidences or allegations of fraud and each member responded that they were not aware of any such incidents.

Discussion ensued regarding the actuarial report, which had not yet been received. Joanne Rizi advised that a draft of the report was expected the day of the AAB meeting and the work related would be completed as soon as it is received. Ms. Rizi further advised that the actuarial analysis will be done in 2007 and that it was held back because all the self-insurance was being rebid. Mr. Thabit was assured that the fund is healthy, that the health insurance was dramatically turned around and that the self-insurance casualty fund is also healthy. In addition, Ms. Rizi stated that sometime after the first of the year an RFP would be issued. It will be based on changes following the open enrollment and the latest information received.

Additional items reviewed and discussed included the current status section in the Management Letter section of the CAFR, as well as the Internal Audit Reports issued. Comments regarding the status of the reports issued by Internal Audit were discussed. A summary report was provided. Additional reports are expected to be discussed at the next Advisory Board meeting. Allyson Love advised that all reports are on the website.

It was decided that the next meeting would be scheduled as soon as staff is ready to present the final draft of the CAFR.

Robert Bates was introduced to the members of the Board. Mr. Bates handed out materials related to the Whistle Blower Program and described the program and the different classes provided, i.e.: sexual harassment, sexual discrimination. Mr. Bates agreed to discuss potential fraud items with an E & Y staff member as long as they are matters of public record.

The meeting was adjourned at 6:05 P.M.