

City of Greenville
Audit Committee Meeting Minutes
Wednesday, February 10, 2016
City Hall, Room 328
11:00am-12:30pm

Attendees:

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| <input type="checkbox"/> Allen Thomas, <i>Mayor (Chair)</i> | <input checked="" type="checkbox"/> Rose Glover, <i>Council Member (V. Chair)</i> | <input checked="" type="checkbox"/> Rick Smiley, <i>Council Member (Secretary)</i> |
| <input checked="" type="checkbox"/> Barbara Lipscomb, <i>City Manager</i> | <input checked="" type="checkbox"/> Michael Cowin, <i>Assistant City Manager</i> | <input checked="" type="checkbox"/> Bernita Demery, <i>Director of Financial Services</i> |
| <input checked="" type="checkbox"/> Kimberly Branch, <i>Financial Services Manager</i> | <input checked="" type="checkbox"/> Alisha McNeil, <i>Internal Auditor</i> | <input type="checkbox"/> Michelle Thompson, <i>Cherry Bekaert Auditor</i> |
| <input checked="" type="checkbox"/> Chris Ivey, <i>Police Captain</i> | <input checked="" type="checkbox"/> Tara Edwards, <i>Cherry Bekaert Auditor</i> | <input type="checkbox"/> Carlene Kamradt, <i>Cherry Bekaert Auditor</i> |
| | <input checked="" type="checkbox"/> Abbie Bennett, <i>The Daily Reflector</i> | |
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1. Review of November 9, 2015 Audit Committee Meeting Minutes

The motion was made to approve the minutes, without exception, by Council Member Smiley; Council Member Glover seconded the motion.

2. 2015 Findings/Update

During this part of the discussion, Mrs. Branch went through each item and addressed the current status since the findings and update occurred. The status updates were as follows:

- 1) The fund deficit from the Emergency Operations Fund was an agenda item at past City Council meeting to fix the deficit recorded as of FY 2015.
- 2) The issue with the Sanitation Fund is being worked on with Public Works to come to an amount that will need to be adjusted this year by future budget amendment.
- 3) The capital asset system finding is currently being updated and adjusted in new ERP system, Munis.
- 4) The Accountant position has been included in budget/position requests for 2016-2017 budget & 2017-2018 operating plan. This position will assist with grant compliance issues.

Additional comments made during this time included Mrs. Demery stating that it is anticipated that departments will be confident in using the capital asset system by June 30th. Also, Mr. Cowin added that the Internal Auditor, Alisha McNeil, will assist the person handling fixed assets to get policies in order for barcoding. Mrs. Demery pointed out that a City-wide ethics policy is being worked on.

3. FY 2016 Contract Proposal

Mrs. Branch began to address this agenda item by informing the committee that a lot of the fee increases have been due to the transition to MUNIS. However, after this year's increase the City should be able to mitigate costs going forward. Council Member Glover commented to clarify the reasoning of the fee increases to ensure that it was due to the change in financial systems and to also find out whether or not the auditors submitted a cost for this year based on that change. She stated going forward the City should not incur this much of a cost. Council Member Smiley stated that the City was under time pressure to be able to issue debt and having Cherry Bekaert to accelerate the process; it in turn increased the costs as well.

The fee proposal was approved by both Council Members Smiley and Glover to go before City Council at the Thursday, February 11, 2016 meeting.

4. Federal Forfeiture Review Update

Tara Edwards, Cherry Bekaert Auditor, presented the review update for the agreed upon procedures as it relates to Federal Forfeiture. Ms. Edwards stated that the Department of Justice (DOJ) has requested the agreed upon procedures. Therefore, no opinion would be given. Ms. Edwards informed the committee that this was not an audit, but that the auditors specifically looked at the amounts the DOJ said had been received by the City and then reconciled them to the general fund. The reconciliation consisted of the past 5 years from June 30, 2010 through June 30, 2014. This process of reconciliation included the expenses as well to make sure they were properly recorded and allowed. Michael Cowin added that this agreed upon procedure was also to review the validity of spending per the DOJ. Mr. Cowin also stated that the revenues will be reviewed and used by the City of Greenville Police Department to respond to the DOJ by the end of February.

Ms. Edwards did indicate since the City had not been reimbursed results show the General Fund is owed money from Federal Forfeiture. Ms. Edwards also discussed recommendations that would be documented.

- A. Ensure separate bank accounts Treasury vs. Justice
- B. Complete policy around the process of receipting and documenting DOJ funds.

As a part of the Federal Forfeiture question, discussion surfaced about grants for the City. Council Member Smiley requested a list of grants at an appropriate meeting in the future.

5. FY 2016 Audit

The meeting schedule for the fiscal year 2016 was discussed and it was relayed to the committee that there will be internal meetings prior to regular committee meetings at which only staff are required to attend.

6. Ethics and Code of Conduct Policy

This item was pulled from the agenda and will be discussed at a later date. The Council will be given the Ethics Policy for review upon employees having an opportunity to give input.

7. Next Meeting – Wednesday, May 11, 2016

The next meeting date was agreed upon unanimously, without exception. Council Member Smiley moved to adjourn the meeting and Council Member Glover seconded.