

City of TYBEE ISLAND
Audit Committee Exit Conference with Independent Auditors
Thursday, March 22, 2007
1:30 PM
City Hall

MINUTES

ATTENDANCE:

Auditor: Wade Salisbury, Craig Moye, David Irwin, Mauldin & Jenkins

Audit Committee: John Major, Freda Rutherford, Jim Anderson

Staff: Jan Fox, Claire Price

Wade said that he had reviewed the file and the draft yesterday. Everything went smoothly and the staff was cooperative. Everything they needed was provided. There will be a number of findings, all of which will result from the implementation of SAS 103 (audit documentation) and SAS 112 (Internal controls) this year. The accounting standards have redefined "materiality" to include any audit adjustment greater than 20% of the total value of the fund where the adjustment takes place. Under previous standards, our audit would have been similar to last years'.

Other changes – stated in SAS 104 through 111 – will become effective before our next audit and will result in the independent auditor being required to do greater "testing" – reviewing objective evidence – and will result in increased costs for the audit.

Wade said the audit rule changes have resulted in more findings. John asked Wade would make note of that fact in the audit report. Wade said he would put something to that effect in the audit agenda.

Jan said she has prepaids, fixed assets and cash still to deal with. She must expense to departments.

John asked about the audit committee list of concerns. Craig replied that there were no issues and all expectations have been met. John asked specifically about the campground. Craig said that they had looked at it in detail and there were no problems. John then asked about leases. Craig responded that there were no issues on the department side and that he had looked at the revenue side last year.

The audit of 2006 was the third audit in a three year contract with Mauldin and Jenkins. John informed the auditors that the audit Committee will consider whether to negotiate an extension of the audit contract for an additional two years, as allowed in the current agreement.

Wade gave John a calculated scope for SAS 112 threshold for materiality.

The meeting concluded at approximately 2:00 PM.

Respectfully submitted,

Freda Rutherford, Secretary