

City of TYBEE ISLAND
Audit Committee Meeting
Monday, November 10, 2008
4:00 PM
Tybee Old School – Cafeteria

MINUTES

Member Attendance: John Major, Freda Rutherford, Bill Blakey, Alfie Waite, Sue Off &
Jim Anderson

Council Liaison: Dick Smith

Staff: Bonnie Kline

Bill Blakey, vice chair, called the meeting to order at 4:00PM

There was a motion by John Major, seconded by Bill Blakey, to approve the minutes from the October 20th meeting. All approved the minutes as written.

Audit Update:

Bill said that there was a bit of a hiccup in the audit. The auditors went home and staff has been shipping them material. Bonnie said that she thinks staff has given them everything that they asked for and there should be no additional costs.

Budget vs. Actual for October:

Bonnie handed out the *Financial Statement unaudited as of June 30, 2008* and the *General Fund Adopted Budget for FY 2009 with Amendments*. She said council would be amending the 08 budget to bring the fiscal year back to actual. For the current budget, funds have been recovered from departments and the budget will be modified to reflect a reduction in spending of approximately \$1 million. The funds will be moved to contingency. Dick said these are actual deductions and there will be more.

Bonnie called attention to the *Summary Financial Report – General Fund 3 Months Ended September 30, 2008*. Bill commented that departments should be at approximately 25% on their expenditures for the year. Discussion followed regarding the tax digest and the Chatham County Assessors. Bill asked if the revenues of \$2,121,591 are actual. Bonnie said it was. She said Charges for Services – parking was up \$200,000 over last year. The first quarter is a busy quarter for the city. Freda said that budget review was what the auditors said the committee should be focusing on. Alfie said the 4th quarter would give us the better overview. Sue asked how a department could overspend, e.g. emergency management is 159% of budget. Bonnie said she thought there was something wrong with that line item. Alfie said some council members are having problems understanding the change in the fiscal year and that revenues for the period are not in yet.

Dick commented on how fortunate the city is to have Bonnie.

OLD BUSINESS:

Municode:

Freda said that at the October meeting Diane Schleicher said Municode would be updated quarterly or at a minimum every six months. It is November and there have been no updates for 2008. She suggested that council evaluate the contract and consider whether the work could be done internally. She said that when Bob Thomson proposed contracting out there was only one IT staff person. Now there are two very qualified staff. Perhaps it would be more cost effective and efficient to perform the work in house. John Major said that he has maintained on-line records for the audit committee from the beginning of time. There are several hundred records and it is not rocket science.

Dick said he would look into the situation and let the committee know.

Annual Audit Agenda – Review and Comment:

John pointed out a mistake in the chart on page 5 – *General Fund Balance History*.

Fraud Control Policy – Review and Comment:

John said he liked the checklists and the policy statement in the sample document. Freda said she thought this sample was for a much larger organization. Who would fulfill the functions of the Investigative Unit and the Internal Auditor?

Returning to the Municode discussion, Sue read a memo from Vivian, written in July, explaining the lag time in Municode updating. There was more discussion on how documents get prepared and the difficulty in integrating them into the code.

Bill said he had three questions for Bonnie. Bill wanted to know what restrictions there are on the use of SPLOST funds. Bonnie explained about the restrictions on SPLOST. Bill then asked if debt has gone up from last year. Bonnie said the Fort Screven construction project is approximately \$1.3 million. Bill asked about the plan to make money by borrowing. Bonnie said the spread in interest has changed and that is no longer feasible.

Bill asked how much we have sent to the enterprise funds. Bonnie said no money has been transferred. Discussion followed. Dick said he projects the campground have significant loses.

NEW BUSINESS:

Consideration of New Members:

Bill said that since John, Freda and Sue will be going off the committee in February how will we recruit new members? Dick said he will discuss with council so that they can get the recruitment underway. Sue pointed out that the by-laws require that new members

attend the meeting prior to the beginning of their term and that would be in early February. Dick said he would put a rush on it.

The meeting was adjourned at **5:05** PM.

Respectfully submitted,

Freda Rutherford, Secretary