

City of TYBEE ISLAND
Audit Committee Meeting
Monday, February 23, 2009
4:00 PM
Room 7 - Old School

MINUTES

Member Attendance: Freda Rutherford, Bill Blakey, Alfie Waite, & Sue Off
Appointees: Steven Bryant & Sallie McClelland
Council Liaison: Dick Smith
Staff: Bonnie Kline & Diane Schleicher

Bill Blakey, vice chair, called the meeting to order at 4:02PM

There was a motion by Alfie, seconded by Sue, to approve the minutes from the January 12th meeting. All approved the minutes as written.

Bill apologized for calling the meeting with short notice. He said the meeting needed to be scheduled in February before the terms of old members expired so that they could meet with the appointees. He said he had also expected the audit to be complete.

Bill introduced the new members and said that Gavin Murphy has also been nominated and should be joining the committee after council approval. He will bring the committee up to its mandated minimum of five members. Bill thanked Sue, John and Freda for their service. He also thanked Jim Anderson who has decided to step down, for his service to the committee.

STATUS OF THE AUDIT:

Bonnie said that the auditors would return in early March for 2-3 days to complete the audit. She said the delay was caused by the change in the fiscal year, which put Tybee on cycle with other communities and the auditors behind. Bill commented that it had taken them eight months to complete the last audit.

Bonnie reported that the city has issued a Request for Proposals for Audit Services. It was mailed to 20 firms. She is expecting a good response because she has received a lot of phone calls. Bonnie said that the audit committee could interview the finalists to assist in making their recommendation to council.

SUMMARY OF AUDIT COMMITTEE REESPONSIBILITIES:

Bill passed out the by-laws to the appointees as well as a reference sheet defining goals of audit committees from the "Audit Committees" manual prepared by the GFOA. The audit committee must:

1. satisfy itself that management is maintaining a comprehensive framework of internal control;
2. ensure that management's financial reporting practices are assessed objectively; and
3. determine to its satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are satisfactorily resolved.

SUMMARY OF COUNCIL LIAISON RESPONSIBILITIES:

Bill called upon Dick to define his role. Dick said that he is responsible for seeing that new members get recruited and appointed by the council. He is the communicator between the committee and council. And, he sees that the committee gets staffed.

ORGANIZATIONAL MEETING IN MARCH:

Bill informed the new appointees that the committee would have an organizational meeting in March to elect officers. Steven asked if the committee reviewed the city's financials and Bill responded that it did. He then asked if the city used the committee as consultants. Sue responded that the city has used the committee to perform a review of all city contracts. Freda added that the committee was formed six years ago to assist the CFO in developing and implementing a procurement ordinance. She said that prior to that time city employees just had credit cards and charged purchases at their will.

FINANCIAL REPORT:

Bonnie handed out the Summary Financial Report for the period ended January 31, 2009. The committee reviewed and asked questions. Bonnie said that some Council members, Diane and she met with a representative of the Carl Vinson Institute of Government in Atlanta a few weeks back. The city council had sent the consultant some questions that they wanted to discuss with her, one being how much fund balance should be maintained. The committee discussed the exceptional risks that the city faces with being in a hurricane zone and that the city relies on funds from tourism for a large portion of its budget, i.e. hotel/motel tax and parking fees. Steven suggested that business interruption insurance might be something to look into as an additional way for the city to protect itself during these kinds of emergencies.

There being no further business, the meeting was adjourned at 4:50PM

Respectfully submitted,

Freda Rutherford, Secretary