



3.21.2011 Audit Committee Meeting Minutes

To: Kristi Campos, Audit Committee Chairman

From: Chris Compton, Secretary

A handwritten signature in black ink, appearing to be 'CC' or similar initials, located to the right of the 'From:' field.

CC: Sterling Cheatham
Debra Mack
Allison Collins
Stephanie Jacobs
Bryon Dorey

Date: March 21, 2011

Call to order:

Kristi Campos, Audit Committee Chairman, brought the meeting to order at 10:05 am on March 21, 2011 in the City Manager's Conference Room.

Members Present:

Kristi Campos
Charlie Rivenbark
Earl Sheridan

Staff Present:

Sterling Cheatham
Chris Compton
Allison Collins

Bryon Dorey

Summary of Action Items:

- 1. Review for Approval – The approval of the September 30, 2010 Quarterly Loan Confirmations – Released January 31, 2011.**
 - Allison Collins reviewed this report and stated that the response rate was 41%. None of the items came back as undeliverable. Two of the loan holders reported different loan amounts from what the city had on file. These participants were responded to, and there was no additional feedback regarding the loan amounts on file. One loan was undergoing the bankruptcy process, which was already known by the City Attorney's office. There were no confirmed errors among the loans.
 - A motion to approve the report was made by Charlie Rivenbark and seconded by Earl Sheridan. Approval of the motion was unanimous.

2. Review for Discussion – Travel discussion of the City Manager, City Clerk and City Attorney for Fiscal Year 2010-2011

- Kristi Campos provided background on this item. To provide transparency to all areas of City government regarding travel, a similar travel policy to that of City Council Members should also be adopted for travel by the City Manager, City Clerk and City Attorney.
- Sterling Cheatham noted that each of these offices require specific training that results in travel. This is in addition to unexpected events that also require travel.
- Sterling Cheatham will prepare a draft policy for the Audit Committee's May 16, 2011 meeting. The policy will include expenditures from the last two budget cycles, travel dollar amounts, and future travel needs.

3. Review for Informational Purposes – The current implementation status of the City's new HTE loan module.

- Allison Collins reported that the City is on track with its goal to be in balance by the end of March, with the ultimate goal of sending HTE statements in May. This is the last part of the transition process. Once converted, the Loan Confirmations would be sent annually along with monthly statements.
- Charlie Rivenbark asked if it was possible for these statements to be sent electronically. Bryon Dorey will look into this and report back at the May 16, 2011 Audit Committee meeting.

4. Review for Informational Purposes – The current status update on the City's Medical Claims/Pharmaceutical Audit that began in November 2010.

- Allison Collins reviewed the report which indicated \$5,920.50 in Pharmaceutical overpayments that will be credited back to the City. The report also showed Medical Claims overpayments by the City of \$44,698.29. These numbers are down significantly from the total overpayment by the City of \$109,000 reported in the audit from the 2006-2008 time period.
- Charlie Rivenbark asked what the City was doing to recoup these funds and to prevent this in the future.
- Allison Collins reported that Blue Cross Blue Shield needs to complete their audit (expected in the next few weeks.) Then steps toward reimbursement, where appropriate, would take place. Sterlinghe also reported that the Wilmington Health Associates recently reviewed the City's processes regarding medical claims and found them to be satisfactory. This review was complimentary with no obligation on behalf of the City.
- The Blue Cross Blue Shield audit should be available for the May 16, 2011 Audit Committee meeting.
- Charlie Rivenbark asked that the Medical Claims and Pharmaceutical areas be audited by the outside Auditors in the upcoming City Audit. Bryon Dorey will share this with the Audit firm.

Adjournment:

The meeting was adjourned at 10:25 a.m.

Next Meeting Date:

Monday, May 16, 2011, in the City Manager's Conference Room, following the Agenda Briefing meeting.