



8.15.2011 Audit Committee Meeting Minutes

To: Kristi Campos, Audit Committee Chairman

A handwritten signature in black ink, appearing to be 'KAC', is written over the 'To:' line.

From: Chris Compton, Secretary

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

Date: August 15, 2011

Call to order:

Kristi Campos, Audit Committee Chairman, brought the meeting to order at 10:55 am on August 15, 2011 in the City Manager's Conference Room.

Members Present:

Kristi Campos
Charlie Rivenbark

Bryon Dorey
Allison Collins
Chris Compton

Lou Cannon,
McGladrey & Pullen,
LLP

Staff Present:

Sterling Cheatham
Debra Mack

Guests Present:

Rick Brown, Bank of
America

James Sargeant,
McGladrey & Pullen,
LLP

Summary of Action Items:

1. Review for Discussion – Bank of America e-Payables Option.

- Bryon Dorey introduced Rick Brown from Bank of America. Mr. Brown presented an overview of the Bank of America e-Payables program that will enhance how the city collects and makes payments. This is a business-to-business product that takes advantage of the State VISA purchasing card program.
- There is no cost to the city for participating in e-Payables. This program also includes a rebate back to the city, based on usage, the billing period and grace period. The city could expect a rebate of 1.33%.

- The e-Payables program would not change the city's internal Purchase Order process – it would only change how payments to vendors would be made.
- E-Payables is an electronic process that reduces check fraud and provides for better controls on funds.
- Sterling Cheatham asked how this program might impact the small business supplier. Rick Brown noted that, in the past, vendors were hesitant to accept VISA payments. But, now, most small businesses are accepting electronic payments, especially for the convenience and reduced cost.
- Bank of America will conduct a telephone campaign, where they will call city vendors and discuss the program's benefits and encourage participation.
- Debra Mack reported that this is yet another way the city is transitioning to the goal of having all payments be paperless.
- New vendor applications will include a requirement that all payments be electronic.
- The 3rd Street Improvement project vendor will also be encouraged to use the e-Payables program
- The e-Payables program was endorsed by the Audit Committee, which asked that this presentation be given at the next possible Council Meeting. Sterling Cheatham will make the necessary arrangements.

2. Review for Discussion – SAS 114 Pre-Communication Letter from External Auditors for the 2010-2011 Year End Independent Audit

- Sterling Cheatham introduced Lou Cannon and James Sargeant, from McGladrey & Pullen, LLP, who reviewed the Pre-Communication Letter for the 2010-2011 external audit period.
- James Sargeant reported that they are on target with the field work and are on schedule.
- Mr. Cannon also shared that the Data Collection Form for the city was submitted late for 2009 – 2010, and was an error on his part. However, the late filing has no negative impact on the city's audit. Mr. Cannon will alert the Finance Dept. when this form is due.

3. Review for Discussion and Approval – Review of Council Travel Policy and Recommended Modifications

- Sterling Cheatham gave the background on this item, as it was in response to feedback presented during the last City Council Meeting. It was determined that the Audit Committee should further review this item.
- Since Council Member Earl Sheridan was not present, the Committee decided to defer on any recommendations on the Council Travel Policy.
- This item was to be discussed at the August 16, 2011 Council Meeting. This item will be pulled and continued to the September 20, 2011 Council Meeting.
- The Audit Committee will have a Special Meeting on Monday, September 19, 2011 to finalize their recommendations on the Council Travel Policy.

4. Review for Approval – City Manager Travel Update for the 2011-2012 Fiscal Year

- Sterling Cheatham reviewed his submission for travel during the 2011-2012 Fiscal Year. His role is that of support for the elected officials who also attend these meetings and conferences.
- Sterling Cheatham noted that he will not be able to attend the first trip on his report, as the application deadline was missed.
- The Audit Committee approved the City Manager's travel, as proposed.
- Sterling Cheatham will request that City Attorney, Carolyn Johnson and City Clerk, Penny Sidbury also submit their 2011-2012 Travel plans to the Audit Committee for the September 19, 2011 meeting.

Adjournment:

The meeting was adjourned at 11:55 a.m.

Next Meeting Date:

Special Meeting: Monday, September 19, 2011, in the City Manager's Conference Room, following the Agenda Briefing meeting.

Regular Meeting: Monday, October 17, 2011, in the City Manager's Conference Room, following the Agenda Briefing meeting.