



5.17.2010 Audit Committee Meeting Minutes

To: Kristi Tomey, Audit Committee Chairman 

From: Chris Compton, Secretary

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

Date: May 17, 2010

Call to order:

Kristi Tomey, Audit Committee Chairman, brought the meeting to order at 10:20 am on May 17, 2010 in the City Manager's Conference Room.

Members Present:

Kristi Tomey
Earl Sheridan
Charlie Rivenbark

Staff Present:

Sterling Cheatham
Bryon Dorey
Chris Compton
Allison Collins

Others Present:

Louis Cannon
James Sargeant

Staff Absent:

Debra Mack

Summary of Action Items:

- 1. Review for Approval – The December 31, 2009 Quarterly Loan Confirmations – Released April 7, 2010.**
 - Allison Collins reported that the letters for the 3.31.10 quarterly loan confirmations were just mailed and she will have a report for the next meeting for one calendar year at the August 20, 2010 meeting.
 - The Finance Department is moving forward on the new process with a deadline of June 30, 2010.
 - A motion was made by Charlie Rivenbark and seconded by Earl Sheridan to approve the report. Approval of the motion was unanimous.

2. Review for Approval – The Fire Department's Firefighters' Relief Fund Internal Audit Report – Released May 7, 2010.

- Allison Collins reviewed the report and gave background.
- Two areas were identified to be not in compliance with the 1983 General Assembly Ratified Bill, ie. amounts disbursed. However, upon further review, it was found that these issues were taken care of by 1987 Legislation. (The documentation had not been placed in the files.)
- Byron Dorey identified the background on how the funds are receipted by the City. They originate by way of the Fire and Lightning Tax on personal property. The more Firefighters in the program, the less each would receive. The Firefighters Relief Fund Board approves allocation and requests for funds. An estimated \$83,000 was distributed this last year and only applies to City of Wilmington retired fire retirees/spouses, not New Hanover County Fire retirees/spouses.
- Processes were streamlined to make sure distributions are in line with NC State laws, ie, when these funds are sent.
- A few other system access issues are also being corrected for older City legacy systems. The City IT department has been handling this item.
- The evidence required to document the death of a fire retiree or spouse is streamlined.
- The Finance Department is also in the process of converting all payments to Electronic payments and direct deposits for fund disbursements, rather than manual checks.
- A motion was made by Charlie Rivenbark and seconded by Earl Sheridan to approve the report. Approval of the motion was unanimous.

3. Discussion – Meet and Greet the new External Auditors, McGladrey & Pullen, and discuss June 30, 2010 External Audit.

- Louis Cannon and James Sargeant from McGladrey & Pullen reviewed the SAS 114 document as it relates to the June 30, 2010 External Independent Audit.
- They look forward to any guidance and feedback from the Audit Committee and asked members to contact either of them at any time in this process with specific areas of concern or with items needing attention.

4. Request to cancel the next Audit Committee Meeting on Monday, July 19, 2010 or move to an alternate date.

- After discussion, the next Audit Committee meeting will be held on Monday, August 16, 2010, following the Council Agenda Briefing Meeting.

5. Medical Claims Audit (Communication only).

- Allison Collins reported that the City is looking at conducting another Medical Claims Audit. The last Medical Claims audit was completed in 2006 and saved the City an estimated \$90,000 in credits to BCBS NC

- City staff, including Jeanne Sexton and the City's Health representative, are doing the research now

Adjournment:

The meeting was adjourned at 11:00 a.m.

Next Meeting Date:

Monday, August 16, 2010, in the City Manager's Conference Room, following the Agenda Briefing meeting.