



1.22.2019 Audit Committee Meeting Minutes

To: Paul Lawler, Audit Committee Chairman

A handwritten signature in black ink, appearing to read 'PL', is written over the name Paul Lawler.

From: Chris Compton, Secretary

CC: Sterling Cheatham
Allison Collins
Jennifer Maready
Bryon Dorey

Date: January 22, 2019

Call to order:

Paul Lawler, Audit Committee Chairman, brought the meeting to order at 11:33 a.m. on January, 2019, in the City Manager's Conference Room.

Members Present:

Paul Lawler
Clifford Barnett

Staff Present:

Allison Collins
Jennifer Maready
Sterling Cheatham
Bryon Dorey
Tony Caudle

Chris Compton

Guests Present:

Robbie Brittner, RSM
Robert Parker, RSM

Summary of Action Items:

1. Review for Approval – Approval of the December 3, 2018 Audit Committee Meeting Minutes

- A motion was made by Councilman Clifford Barnett and seconded by Councilman Paul Lawler to approve the December 3, 2018 Audit Committee Meeting Minutes. The motion was unanimously approved.

2. Review for Approval – The June 30, 2018 Comprehensive Annual Financial Report (CAPR) presented by RSM

- Paul Lawler introduced Robbie Bittner and Robert Parker from RSM, who presented the highlights of the CAPR.
- Robbie Bittner reviewed the opinion report options.
- The City has implemented the new reporting rules changes.

- Robbie Bittner noted that the City has already implemented the necessary changes for GASB 75 and GASB 89.
- Robbie Bittner noted that the City Finance Department has been wonderful to work with during the CPAR process.
- Robbie Bittner commended the City Finance Department for meeting the LGC reporting deadline, despite the challenges from Hurricane Florence.
- Robbie Bittner reported that only 41% of entities in the entire state of North Carolina were able to meet this deadline.
- A motion was made by Councilman Clifford Barnett and seconded by Councilman Paul Lawler to approve and accept the June 30, 2018 Comprehensive Annual Financial Report (CAPR). The motion was unanimously approved.
- Robbie Bittner and Robert Parker will present the CAPR at the City Council Meeting tonight.

3. Provided for Approval – Wilmington Police Department’s Property & Evidence Internal Audit Report – Release November 21, 2018

- Allison Collins reviewed the background for the audit, which was the first ever completed by the City.
- Allison Collins shared the highlights and recommendations from the audit, which resulted in no errors on either of the two audit tests.
- Councilman Clifford Barnett asked Allison Collins to provide turnover rates for the Police Department Evidence Area.
- Councilman Clifford Barnett also asked if the funds in the seized funds account could be used for other purposes by the City.
- Jennifer Maready clarified that, after a case is closed, the funds are typically returned to the rightful owner. In the rare cases they are returned to the City and are restricted to Wilmington Police Department activities that are not funded in the annual budget.
- Councilman Paul Lawler asked what happens to the evidence once the case has been closed.
- Allison Collins noted that the judge in the case determines what happens to the evidence after the case is closed. This is on a case-by-case basis. The City has some evidence dating back to 1977.
- A motion was made by Councilman Clifford Barnett and seconded by Councilman Paul Lawler to approve the Wilmington Police Department’s Property & Evidence Internal Audit Report – Release November 21, 2018. The motion was unanimously approved.

4. Provided for Reporting Purposes – City Council 2nd Quarter Travel Update – for the quarter ended December 31, 2018 (Fiscal Year 2018-2019)

- Allison Collins reviewed the report for the current period.
- Allison Collins noted that Kevin O’Grady is working on a refund from the conference sponsor for a trip that he registered and paid for, but, was unable to attend.

- Councilman Clifford Barnett asked how he could get reimbursed for travel that exceeded the balance in his travel account.
- Allison Collins reviewed the process for requesting funds from the Governance Travel Pool.

5. Review for Approval – The 2019 Calendar Year Audit Committee Proposed Meeting Schedule

- Allison Collins reviewed the calendar and answered questions from the Committee.
- A motion was made by Councilman Clifford Barnett and seconded by Councilman Paul Lawler to approve the 2019 Calendar Year Audit Committee Proposed Meeting Schedule. The motion was unanimously approved.

Adjournment

- A motion was made by Councilman Clifford Barnett and seconded by Councilman Paul Lawler to adjourn the meeting. The motion was unanimously approved.
- The meeting was adjourned at 12:00 noon.