



6.17.2019 Audit Committee Meeting Minutes

To: Paul Lawler, Audit Committee Chairman 

From: Chris Compton, Secretary

CC: Sterling Cheatham
Allison Collins
Jennifer Maready
Bryon Dorey

Date: June 17, 2019

Call to order:

Paul Lawler, Audit Committee Chairman, brought the meeting to order at 12:30 p.m. on June 17, 2019, in the City Manager's Conference Room.

Members Present:

Paul Lawler
Clifford Barnett
Charlie Rivenbark

Staff Present:

Allison Collins
Jennifer Maready
Sterling Cheatham
Bryon Dorey
Tony Caudle
Laura Mortell

Meredith Everhart
Chris Compton

Guests Present:

Robbie Bittner, RSM
Robert Parker, RSM

Summary of Action Items:

1. Review for Approval – Approval of the January 22, 2019 Audit Committee Meeting Minutes

- Allison Collins noted that there were several small edits to the meeting minutes. The edits were identified and the updated meeting minutes will be created and saved on the City website.
- A motion was made by Councilman Charlie Rivenbark and seconded by Councilman Clifford Barnett to approve the amended January 22, 2019 Audit Committee Meeting Minutes. The motion was unanimously approved.

2. Review for Information – Fiscal Year End June 30, 2019 Pre-Audit Communication Report from External Auditors (RSM)

- Allison Collins asked Bryon Dorey to introduce Robbie Bittner and Robert Parker from RSM, who presented the highlights of the Pre-Audit Communication Report.
 - Robbie Bittner gave background on the letter and the next steps for this year's audit.
 - Robbie Bittner noted that the Audit field work will begin on September 3rd.
 - He also noted that there are no new standards for implementations this year.
 - Councilman Paul Lawler asked if there were any substantive changes this year as it relates to last year's audit.
 - Robbie Bittner noted that there is always some level of unpredictability. They asked for areas of concern to add to the audit list that would be in addition to the FEMA expenditures.
 - Councilman Clifford Barnett asked about Police Department drug bust money and how that is managed.
 - Robbie Bittner will add this item to the audit for inspection for this year.
 - Allison Collins reported that the external auditors review copies of all City Auditor Reports for the period and use this information when they conduct their review.
- 3. Provided for Reporting Purposes – City Council 3rd Quarter Travel Update – for the quarter ended March 31, 2019 (Fiscal Year 2018-2019)**
- Allison Collins reviewed the report for the current period and answered questions from the Committee.
- 4. Provided for Approval – City of Wilmington Special Investigative Fund - Internal Audit Report for the Fiscal Years 2016-2017 & 2017-2018 – Released May 2, 2019**
- Allison Collins reviewed the background the routine audit and noted highlights.
 - Allison Collins shared that the Police Department has done a great job over the years by implementing changes that improve internal controls for this all-cash fund.
 - No issues were found in this year's report.
 - She also noted that, due to these changes, errors have been reduced over time.
 - Allison Collins reviewed the new Recommendations for additional improvements
 - Councilman Paul Lawler asked why there were so many Recommendations in this Report.
 - Allison Collins noted that the Recommendations are actually Best Practices and serves as a reminder for the Police Department.
 - Councilman Paul Lawler asked if there were other Police Department Cash Funds.
 - Allison Collins reported that there are only two cash funds: the Special Investigative Division's Narcotics Cash Fund and the Criminal Investigative

Division's cash Fund. The Criminal Investigative Fund is very small and does not have large amounts of cash in it.

- Allison Collins also stated that the Police Department Internal Affairs Department does surprise spot checks of this fund to make sure that the funds are managed appropriately and the supporting documents are identified.

Adjournment

- A motion was made by Councilman Charlie Rivenbark and seconded by Councilman Clifford Barnett to adjourn the meeting. The motion was unanimously approved.
- The meeting was adjourned at 12:45pm.