

## **Minutes of the Audit Committee Meeting**

**July 18, 2024**

### Committee Attendees:

John Redmond, Chairperson

Toyia Tucker, Vice Chairperson

Mike Baker

Michael Bruder

Glenn Davis, Secretary

### Other Attendees:

Donna McGinnis, Internal Auditor and Compliance Officer

Isaiah Hugley, City Manager

Pamela Hodge, Assistant City Manager- Finance and Planning

Vice Chair Toyia Tucker called the meeting to order at 2:00pm, in the absence of former Chairperson, Tyson Begly, whose temporary appointment to City Council had expired. Vice Chair Toyia Tucker requested nominations from members of the Audit Committee for a new Chairperson. Councilor Glenn Davis, newly appointed member to

replace Former Councilor/Chairperson Begly, nominated John Redmond to serve as Chairperson. Councilor Tucker seconded the motion and moved that the nominations be closed. Mr. Redmond was approved by acclamation. Since Mr. Redmond was previously serving as Secretary, nominations for Secretary were taken and Councilor Davis was elected by voice vote. Councilor Davis accepted the position of Secretary and asked that he assume those duties at the next meeting. Mr. Redmond agreed to take the minutes for the remainder of the meeting, while serving as Chairperson.

Mr. Redmond presented the minutes from the Audit Committee Meeting of July 18, 2024, for approval, Councilor Tucker motioned for approval of the minutes, and Michael Bruder seconded the motion. Mr. Redmond then signed the minutes of the July 18, 2024, meeting, and handed them to Clerk of Council, Sandra Davis. Ms. Davis then left the meeting.

Chairperson Redmond then announced that the committee has a lot of work to do in order to be functional, and it needs to meet more frequently until those tasks are completed. These include reviews of audited financial statements, involvement with establishing audit priorities, providing guidance to the Internal Auditor/Compliance Officer, assisting with assessment of audit staffing needs, reviewing the budgetary request of the Internal Audit Department, obtaining budgetary funds for specialized assistance as needed, and involvement in the selection of the External Auditors. The Committee selected September 18, 2024, at 2pm, for its next meeting to be held in the City Hall's First Floor Conference Room. Subsequent meetings will occur about every two months, thereafter.

Donna McGinnis provided an update on the status of several audits in progress. The audit of Recorder's Court is about 90% complete, and she and her staff are reviewing information obtained by the Sheriff's Office as a follow-up on the Finance Department audit completed last year. Upcoming audits include the Civic Center as a Transition Audit following the departure of the Director, last year. She also noted that one of her staff members has completed his Fraud Examiner Certification.

She noted that she is in the process of hiring another staff auditor for her department, and there were some communication delays in the selection process, impeding the hiring process. Councilor Davis requested that the Committee go into Executive Session to discuss the personnel issues and their causes. Chairperson Redmond suggested the Committee wait until the end of the regular agenda business completion before dealing with the issue in Executive Session.

Mrs. McGinnis noted that several other approved audits are still pending. The Committee had a brief discussion on how those should be prioritized. The Internal Auditor noted that several factors contribute to the prioritization. These include City Council preferences, her assessment of risk, staff availability, and management requests. Chairperson Redmond noted that during his time as Internal Auditor, he established a methodology for risk assessment, but he was aware that such analysis has become more formalized, and we might need some outside assistance with a prioritization process. Mr. Redmond offered to contact the City's External Auditors for assistance.

Ms. Pamela Hodge, Deputy City Manager of Finance and Planning, requested permission to speak to the committee, and such was granted. Ms. Hodge informed the committee that the External Audit Contract

was out for bids and the Audit Committee might wish to review the bids and be involved in the recommendation of the selection process. If so, she suggested that the Chairperson contact the Purchasing Manager in the Finance Department and inform her of the Committee's interest in being involved. The Committee voiced its interest in doing so. Later, Chairperson Redmond phoned the Purchasing Manager, leaving a voice mail expressing the Committee's interest in doing so.

The Internal Auditor stated that she was in the process of hiring another staff auditor for her department, and there were some communication delays in the selection process. Councilor Davis requested that the Committee go into Executive Session to discuss this personnel issue. Chairperson Redmond suggested we wait until the regular business was completed before dealing with the issue in Executive Session.

Chairperson Redmond noted that during his time as Auditor, he established a methodology for risk assessment, but he was aware that such analysis has become more formalized, and we might need some outside assistance with a prioritization process. Mr. Redmond offered to contact the City's External Auditors for assistance. This has resulted in the Audit Firm of Mauldin and Jenkins agreeing to provide a Zoom Presentation of their Audit Risk Assessment Process, for the Audit Committee.

At the end of the regular business of the committee, Chairperson Redmond directed the guests to leave the meeting so that an Executive Session could occur to discuss a personnel matter. The Committee briefly met with the Internal Auditor to review the issue, and then she was dismissed from the meeting.

Upon completion of the Executive Session, the Committee returned to its regular meeting announcing that a personnel matter was discussed In Executive Session, and that no decisions were made, nor any action was taken.

Following the announcement, Councilor Davis motioned to adjourn the meeting and Michael Bruder seconded the motion. The motion was unanimously approved, and the meeting adjourned at 3:57pm.

Respectfully submitted,

John D. Redmond, Secretary