

Minutes of the Audit Committee Meeting

December 13, 2023

Committee Attendees:

Tyson Begly, Chairperson

Toyia Tucker, Vice Chairperson

Mike Baker

Michael Bruder

John Redmond, Secretary

Other Attendees:

Donna McGinnis, Internal Auditor & Compliance Officer

Chairperson Begly called the meeting to order at 11:00 am and distributed copies of the Meeting Agenda.

The minutes of the meeting of August 16, 2023, were approved as presented. Secretary, Redmond noted that the approved minutes would be presented to the Clerk of Council for the official records.

Chairperson Begly informed the committee that he had arranged for a video conference with Mauldin & Jenkins (External Auditors) Audit Management. It took several minutes to connect with them, and Sandra Davis, Clerk of Council assisted with the technology.

Once connected, they introduced themselves as David Irwin, Partner and Kirk Arich, Senior Manager. Chairperson Begly introduced the members of the Audit Committee to the audit management of the firm.

They initially discussed the status of the FY2023 Audit, noting that City Finance leaders requested a delay in the audit completion, due to outstanding information from the Tax Commissioner's Office. They noted that the trial balance and other materials they had requested were provided to them in a timely manner. Mr. Arich indicated that he had been briefed on Internal Audit Activities for the past year by Mrs. McGinnis.

After the video conference was concluded, the Committee moved on to other items on the agenda. Vice Chairperson Tucker suggested that we need to structure the responsibilities of the Audit Committee. One item is the process of the budget and selection of the External Auditors. Currently, the bids are obtained by the Purchasing Division of the Finance Department, a committee is appointed to review the applicants, and the Finance Director takes their recommendation to the City Manager, and it is presented to the City Council to approve the selection. If approved, the Purchasing Division then negotiates the terms of the contract with the selected firm. Secretary Redmond noted that typically, when an Audit Committee exists, the Audit Committee reviews the candidates and presents their recommendation to the City Council for approval.

The Audit Committee discussed Internal Audit that was presented to City Council on December 5, 2023. Since the Internal Audit did not include verifying deposits, the Audit Committee agreed the next steps were to obtain documentation to verify the deposits. They agreed to get 60 months of bank statements, from July 2018 - June 2023, to the internal auditor, as well as any related deposit slips.

It was also suggested that the committee review the job description and reporting structure of the Internal Auditor. Currently, the Internal Auditor reports work product to the Mayor and City Council simultaneously. The mayor provides supervision and administration of the Internal Auditor. This could, at times, create conflict, if it is of an entity that reports to the mayor. The Committee agreed to address these concerns at a future meeting.

The meeting was adjourned at 12:27 pm.

Respectfully submitted,

John D. Redmond, Secretary