

The Audit Board of the City of Orlando met on Thursday, August 28, 2014 in the Sustainability Conference Room, on the second floor of Orlando City Hall.

BOARD MEMBERS:

Rodney L. Eddins, Chair	Present	[3/0]
Leah G. James, Vice-Chair	Present	[2/1]
Brendan Blais	Present	[2/1]
Robert Campbell	Present	[3/0]
George H. Herbst	Present	[2/1]

OTHERS PRESENT:

Deborah Girard, Deputy Chief Administrative Officer
Michelle McCrimmon, Controller
George McGowan, Director of Audit Services and Management Support
Daniel O'Keefe, Partner, Moore Stephens Lovelace
Joel Knopp, Engagement Manager, Moore Stephens Lovelace
Judy Wall, Future Board Member
Lawana Gelzer, Citizen
Michele V. Keane, Recording Secretary

1. OPENING REMARKS

Mr. Eddins called the meeting to order at 1:37 PM and determined that enough members were present for a quorum. Mr. Eddins then introduced Judy Wall, new member of the Audit Board who's term beginning in October and asked Ms. Wall to speak about her background.

2. APPROVAL OF THE MINUTES

Mr. Eddins asked if there were any questions regarding the minutes from the previous meeting. There were none. **A MOTION WAS MADE AND SECONDED TO APPROVE THE MINUTES OF THE MARCH 27, 2013 MEETING. THE MOTION WAS APPROVED UNANIMOUSLY.**

3. RECAP OF FY 2012-13 EXTERNAL AUDIT AND PLANNING FOR FY 2013-14 EXTERNAL AUDIT – DANIEL O'KEEFE, PARTNER, MOORE STEPHENS LOVELACE

Mr. O'Keefe stated that assessing IT security and general controls will be main focal points of the upcoming audit. Mr. Knopp spoke about the various government audit procedures and different areas of compliance that will need to be followed throughout the audit. Investment compliance, debt compliance with applicable covenants, Federal and state grants, venues construction and Workday IT controls will also be addressed. The interim work is scheduled to begin after the fiscal year end, in October 2014. The IT assessment is estimated to begin in November and December of 2014 and the year-end fieldwork will take place in December 2014 and January 2015. The financial statements are expected to be reviewed in January and February of 2015 with a presentation to the Audit Board Committee sometime after March 2015.

Mr. O'Keefe reviewed the new audit standards and briefed the board on their affect on this year's audit.

Mr. Campbell asked who is responsible for setting the compliance for investments to which Mr. O'Keefe, Ms. Girard and Mr. McGowan responded. It was decided to ask Mr. McCullion, City Treasurer, to address the Audit Board at a later meeting. Mr. O'Keefe and Mr. Knopp left the meeting at 2:17 PM.

4. OVERVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT – MICHELLE MCCRIMMON, CONTROLLER

Ms. McCrimmon stated that she had not received any questions from the Audit Board since the last meeting when the CAFR was delivered to the Board. She added that the Management's Discussion and Analysis is a great tool for a general overview of the financial activities. This section and the transmittal letter provide a snapshot of the highlights and changes for the CAFR. Ms. McCrimmon also discussed the new accounting pronouncements implemented in FY13 and what would be implemented in FY14. She then answered the questions raised by the board members. Ms. McCrimmon left meeting.

5. AUDIT SERVICES & MANAGEMENT SUPPORT ACTIVITIES UPDATE – GEORGE MCGOWAN, DIRECTOR

Mr. McGowan updated the Board on the three audits that have been completed since the last meeting. These included Duke Energy, Fleet and Facilities Management and U-Haul. The Duke Energy PST and Franchise fee audit resulted in an assessment of \$132,536 and a portion of this assessment has already been received by the City. The public service tax audit of U-Haul identified \$3,497 due. The Fleet and Facilities management review was conducted by McGladrey and resulted in six recommendations. Mr. McGowan noted that year-to-date the Audit department has identified and the City has benefited from the payment of \$480,792 in revenue auditing findings and assessments.

Mr. McGowan then updated the Board on the status of the ongoing revenue audits. He stated that the Republic Services audit has recently been completed, the OUC Utility audit is 85% finished and Keller Outdoor Roll-Off is 75% completed. On the performance / financial side the engineering fees study is 90% completed, both the Storm Water division and Downtown Clean Team projects are 80% completed, and the MBI/OPD "flash" cash audit is 40% finished.

Mr. McGowan stated none of the open recommendations are considered significant.

6. STATUS OF AUDIT PLAN AND REPORT OF SCHEDULED PEER REVIEW – GEORGE MCGOWAN,

Mr. McGowan brought the Board up to date on the projected audits for the coming year. Mr. McGowan added that he met with the Department Directors and the CAO's office to identify areas of interest or concern and has based next year's audit plan on this information. He announced that the Office will receive a Peer Review the week of September 22nd and the results will be shared with the board in November.

7. PUBLIC COMMENT

Mr. Eddins asked if there was any public comment to which Ms. Lawana Gelzer, a citizen, replied yes. Ms. Gelzer spoke to the board about several matters of interest.


8. MEMBERS' REPORTS / COMMENTS AND OTHER BUSINESS

Mr. Eddins mentioned that this meeting is both his and Mr. Herbst's last meeting. He stated he has learned a lot and enjoyed the experience. He thanked the Board for their support.

9. ADJOURNMENT

There being no further business, Mr. Eddins requested a motion to adjourn the meeting, which was made and seconded, and the meeting adjourned at

Respectfully submitted,


Leah G. James
Vice-Chair

11/20/14 Michele V. Keane
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Recording Secretary