

The Audit Board of the City of Orlando met on Thursday, March 26, 2015 in the Sustainability Conference Room, on the second floor of Orlando City Hall.

BOARD MEMBERS:

Leah G. James, Chair	Absent	[1/2]
Robert Campbell, Vice-Chair	Present	[2/2]
Brendan Blais	Present	[2/2]
Judy Wall	Present	[2/2]
Stephen K. Clapp	Present	[2/2]

OTHERS PRESENT:

Deborah Girard, Deputy Chief Administrative Officer
George McGowan, Director of Audit Services and Management Support
Daniel O'Keefe, Partner, Moore Stephens Lovelace
Joel Knopp, Engagement Manager, Moore Stephens Lovelace
Brian Battles, Deputy Chief Financial Officer
Michelle McCrimmon, Controller
Dina Dorestan, Recording Secretary
Michele Keane, Recording Secretary

1. OPENING REMARKS

Mr. Campbell called the meeting to order at 1:02 PM and determined that enough members were present for a quorum. Mr. Campbell thanked Mr. McGowan for providing the minutes from Audit Board meeting Thursday, November 20, 2014. Ms. McCrimmon entered meeting at 1:03 PM.

2. APPROVAL OF THE MINUTES

Mr. Campbell asked if there were any comments regarding the minutes from the previous meeting. None were made. **A MOTION WAS MADE TO APPROVE THE MINUTES OF THE NOVEMBER 20, 2014 MEETING AS WRITTEN. THE MOTION WAS SECONDED AND APPROVED UNANIMOUSLY.**

3. PUBLIC COMMENT

Mr. Campbell asked if there were any public comments. There were none.

4. EXTERNAL AUDIT UPDATE- DANIEL O'KEEFE, PARTNER, MOORE STEPHENS LOVELACE

Mr. O'Keefe gave a status report and explained that the annual external audit is still in progress. Mr. O'Keefe stated that the City has gotten an extension with the Government Finance Officers Association (GFOA) for the submission of the Comprehensive Annual Financial Report (CAFR) for the GFOA awards program. Mr. Campbell asked Mr. O'Keefe what is causing the delay specifically. Mr. Knopp answered that the issues relate to closing out the year and the Workday implementation. The external auditors explained their audit processes and open items. Discussion ensued.

Mr. Clapp asked about the new financial reporting requirements under GASB Statement 67. Mr. Knopp answered that this new standard takes effect for fiscal year 2015-16 and will require the City to report the pension liability in its financial statements rather than the present requirement to report this information in the notes to the financial statements.

Referencing recent news items about the issue, Mr. Clapp asked about the requirements for the city employees with regards to use of email accounts. Ms. Girard responded that each email of the City is captured and saved. Mr. Clapp asked whether access to Facebook, Twitter, and all other social media is restricted. Ms. Girard answered that City employees are not restricted from entering any legal sites.

Mr. Campbell asked whether there were any other questions. There were none. Mr. O'Keefe and Mr. Knopp left the meeting at 1:25 PM.

5. BUDGET OVERVIEW- BRIAN BATTLES, DEPUTY CHIEF FINANCIAL OFFICER

Mr. Battles opened his remarks with a brief overview of budget results for fiscal year 2013-2014. He continued by distributing the budget report for March 2015 and explained its highlights. Mr. Campbell inquired about several items and Mr. Battles responded. Discussion ensued and Mr. Battles responded to all questions.

6. AUDIT SERVICES & MANAGEMENT SEUPPORT ACTIVITIES- GEORGE McGOWAN, DIRECTOR, OFFICE OF AUDIT SERVICES & MANAGEMENT SUPPORT

Mr. McGowan updated the Board on the project completed since their last meeting. Audit Services issued eight reports. They included reports on OPD & MBI Investigative Funds, OPD Training Standards, Waste Pro and the OPD Witness Management and Subpoena Process. Several follow-up reviews were also issued.

Mr. McGowan reported that the revenue audit collections to date exceed the goal and the discussed the status of other projects in progress.

Ms. McCrimmon left the meeting at 2:03 PM.

7. REVIEW AND REAFFIRM AUDIT BOARD "CHARTER"- GEORGE McGOWAN, DIRECTOR, OFFICE OF AUDIT SERVICES & MANAGEMENT SUPPORT

Mr. Campbell called the Board's attention to the Audit Board "Charter" which consists of the City Code section creating the Board and the Procedures of the Board. Mr. Campbell noted that the procedures note that a risk assessment process is required and asked Mr. McGowan what "risk" means to the City to explain the formal risk assessment process.

Mr. McGowan explained the process which includes a determination of the audit universe, risk factors and the gathering of information to assess the risk factors for each auditable entity. A scoring of these risk factors occur and a preliminary list of possible audit projects is created and vetted with City management and the Audit Board.

Mr. McGowan stated that he will present the next three year audit plan to the Audit Board by the August 2015 meeting.

The board affirmed that there were no necessary changes to the Audit Board "Charter."

8. MEMBERS' REPORTS- There were none.

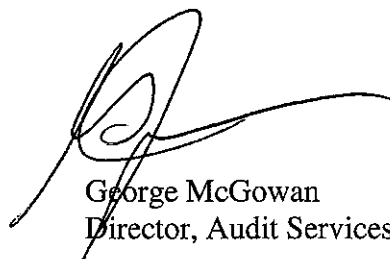
9. ADJOURNMENT

There being no further business, Mr. Campbell asked for a motion to adjourn the meeting, which was made and seconded. The meeting adjourned at 2:16 PM.

Respectfully submitted,



Robert Campbell
Vice-Chair



George McGowan
Director, Audit Services