

The Audit Board of the City of Orlando met on Thursday, November 20, 2014 in the Sustainability Conference Room, on the second floor of Orlando City Hall.

**BOARD MEMBERS:**

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

**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  
Christopher P. McCullion, Treasurer  
Katrina Laudeman, Treasury Manager  
Matt Alexander, Member of City of Orlando Board Nominating Committee  
Michele V. Keane, Recording Secretary

**1. OPENING REMARKS**

Ms. James called the meeting to order at 1:02 PM and determined that enough members were present for a quorum. Ms. James introduced Mr. Clapp, new member of the Audit Board and asked him to speak about his background. Mr. Clapp stated he served on the Audit Board from 2003 to 2007 and is pleased to be back. (Ms. Girard entered the meeting at 2:04 PM.)

**2. APPROVAL OF THE MINUTES**

Ms. James asked if there were any questions regarding the minutes from the previous meeting. Mr. Campbell commented on a line in section four. Ms. James asked for a vote to leave the minutes as written. **A MOTION WAS MADE AND SECONDED TO APPROVE THE MINUTES OF THE AUGUST 28, 2014 MEETING AS WRITTEN. THE MOTION WAS APPROVED UNANIMOUSLY.**

**3. ELECTION OF CHAIR AND VICE CHAIR –**

Ms. James asked for nominations for Chair. **A MOTION WAS MADE AND SECONDED TO ELECT MS. JAMES AS CHAIR. THE MOTION WAS APPROVED UNANIMOUSLY.** Ms. James accepted the position of Chair of the Audit Board.

Ms. James asked for nominations for Vice Chair. **A MOTION WAS MADE AND SECONDED TO ELECT MR. CAMPBELL AS VICE CHAIR. THE MOTION WAS APPROVED UNANIMOUSLY.** Mr. Campbell accepted the position of Vice Chair of the Audit Board.

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

Mr. O'Keefe introduced himself and turned the meeting over to Mr. Knopp, who is the senior manager for the City audit. Mr. Knopp stated the year-end fieldwork will begin December 1, 2014 and continue through January 2015. A primary concern of the audit will be the new software program Workday. The accounts payable portion was implemented in March 2014 and the payroll portion was implemented in June. The audit will address transactions in both the original system and in Workday. Mr. Knopp stated the auditors have been granted reader access to the software adding flexibility and allowing more work to be done offsite. State and Federal grants, internal controls and the transfer of balances will also be addressed.

**5. INVESTMENTS OVERVIEW – CHRISTOPHER MCCULLION, TREASURER**

Mr. McCullion introduced himself and Ms. Laudeman, portfolio manager for the City. He stated that all major funds of the City participate in the pooled investment portfolio. The investment policy is governed by Florida Statutes 218.415 and City Code 2.09. The portfolio is made up of 100% fixed income with 85% managed by external investment managers and the remaining 15% managed in-house, in order to meet liquidity needs. The portfolio is made up of high quality investments that are well diversified, very liquid and readily traded. Mr. McCullion provided an overview of the investment managers and the types of products in their portfolios. He also noted the many layers of oversight consisting of the treasury staff, financial reporting staff, Investment Committee, Finance Committee and Chief Financial Officer. Mr. McCullion responded to questions posed by the Board members.

Mr. McCullion, Ms. Laudeman, Mr. O'Keefe and Mr. Knopp left the meeting at 1:58 PM.

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

Mr. McGowan updated the Board on the four audits that have been completed since the last meeting. These included franchise fee audits of Republic Services and Keller Outdoor, a municipal public service tax audit of Orlando Utilities Commission and a Stormwater fee calculation and billing audit. The Republic Services and Keller Outdoor audits resulted in assessments of \$10,540 and \$4,204 respectively. The OUC audit resulted in an assessment of \$90,262. The Stormwater audit resulted in three recommendations. Mr. McGowan noted that the Audit department identified \$591,585 in audit revenue in 2014.

The FY 2014-15 year-to-date amount of audit revenue stands at \$138,438. Mr. McGowan gives full credit to one of his staff, Ms. Sheila Jones, and informed the board that he has nominated her for the McNamara Employee of the Year for her work on revenue audits for the past year.

Mr. McGowan then updated the Board on the status of the ongoing revenue audits. He stated that the Waste Pro audit is 75% completed, Container Rental audit is 35% finished and Amerigas is 25% completed. On the performance / financial side the Downtown Clean Team project is 95% completed, the Keep Orlando Beautiful audit is 90% finished, the MBI/OPD "flash" cash and OPD training audits are 80% completed and the CLASS System audit is 25% finished. Lastly, Mr. McGowan brought the Board up to date regarding the operations projects. The Workday security audit is 75% completed and the follow-up of the information security system is 5% done. The OPD Witness Management Task Force is 25% complete and the AutoAudit Policies and Procedures audit is at 5% completion.

The few remaining open recommendations are not considered significant. Mr. McGowan then gave a brief overview of projects that are ongoing and planned.

**6. REPORT ON PEER REVIEW RESULTS - GEORGE MCGOWAN,**

Mr. McGowan confirmed that the board members received the results of the recent peer review, which concluded that the Office is in compliance with government auditing standards. Ms. Girard noted that the Mayor's office was pleased with the results of the peer review.

**7. PUBLIC COMMENTS**

Ms. James asked if there were any public comments. There were none.

**8. SET AUDIT BOARD MEETING DATES FOR FY 2014 -5**

The Board members conferred and chose the following meeting dates for the coming fiscal year.

March 26, 2015  
June 25, 2015  
August 27, 2015  
November 12, 2015

9. **MEMBERS' REPORTS** – There were none.

10. **ADJOURNMENT**

There being no further business, Ms. James asked for a motion to adjourn the meeting, which was made and seconded and the meeting adjourned.

Respectfully submitted,



Robert Campbell  
Vice-Chair



Michele V. Keane  
Recording Secretary