

COUNCIL AUDIT COMMITTEE MINUTES OF OCTOBER 17, 2018

A meeting of the City Council Audit Committee was held on Wednesday, October 17, 2018 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, MI 49660.

MEMBERS PRESENT: Roger Zielinski, Lynda Beaton, Erin Pontiac

MEMBERS ABSENT: None

OTHERS PRESENT: Auditor Ken Talsma with Anderson Tackman, City Manager Thad Taylor, Finance Director Ed Bradford

Call to Order – Chair Roger Zielinski called the meeting to order at 1:30 p.m.

Public Comments - None

Request for Proposals – Finance Director Ed Bradford provided a copy of a request for proposals for City audits. Responses are due November 5. A meeting of the Audit Committee will be scheduled to review the responses, draft contract language, and make recommendation to City Council. Discussed length of contract, could consider five-seven years with a two-three year extension clause.

Discussion with City Auditor on Audit Process – At their meeting of August 9, 2018 the Audit Committee requested an opportunity to meet with the auditor following the completion of field work to discuss any questions or concerns regarding the audit process. Ken Talsma of the firm of Anderson Tackman was in attendance.

The draft June 30, 2018 audit was reviewed. Areas discussed:

- GASB 75 and pension actuarial reports.
- State Public Act 202, an unfunded state mandate regarding pension plans.
- City Council Guidelines and committee annual report to City Council.
- Page 2 - auditor opinions.
- Page 3 - auditing standards.
- Pages 14 & 15 - consolidated overview of all funds, assets, and debt.
- Page 16 & 17 - fund levels; general fund balance increase.
- Page 56 - employee retirement and benefit system; 3.3 unfunded liability in 2018
- Page 59 - budgetary comparison schedule; no deficits in our funds.
- Page 70 & 71 - auditor responsibilities and recommendations.

General discussion on information technology recommendations, upcoming new reporting on capital/operating leases, financial reports staff prepares for City Council, etc. Overall the auditor reports a smooth process this year. New BS&A software has improved the process.

CONSENSUS: The annual report will be drafted by staff for presentation to City Council when the final audit document is ready for Council consideration. A draft committee report and the Auditor RFP will be reviewed at the next meeting of this committee.

Next Meeting – A meeting was scheduled for Tuesday, November 13, 2018 at 1:30 p.m.

Adjourn – Following miscellaneous discussion the meeting adjourned at the Call of the Chair at 2:25 p.m.

Cynthia J. Lokovich, CAP, OM
Executive Secretary