

COUNCIL AUDIT COMMITTEE MEETING MINUTES OF JANUARY 28, 2016

A meeting of the City Council Audit Committee was held on Thursday, January 28, 2016 at 3:30 p.m. in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, MI 49660.

MEMBERS PRESENT: Colleen Kenny, Eric Gustad, Robert Goodspeed

MEMBERS ABSENT: None

OTHERS PRESENT: City Manager Thad Taylor, Finance Director Ed Bradford, Councilman Jim Smith

Meeting Purpose Review the responsibilities of the Council Audit Committee per the revised Council Guidelines: “The Audit Committee shall be responsible for the selection (through a recommendation to Council), retention and oversight of the City’s independent auditors, using the Government Finance Officer’s recommended practice for Audit Committees as a guideline. The committee shall consist of three Councilmembers. The Committee shall have access to the services of at least one financial expert familiar with municipal accounting and auditing practices. The Committee shall present annually a written report of how it has discharged its duties and responsibilities.”

Discussion. Finance Director Ed Bradford provided the committee with background information on how this committee has evolved over the years. Under the old guidelines, Audit Committee members were provided with additional financial reports for their review. It is recommended that this committee follow the best practices of the GFOA. The Finance Department has also started providing financial reports on a monthly basis instead of quarterly and will continue to provide a quarterly financial narrative and investment update.

The Council Audit Committee participated in the selection of the City’s current Auditor, Anderson Tackman; who has completed two years of their five year contract. The Audit Committee can engage an independent financial expert to assist them in reviewing the auditor’s scope of work or for other areas of committee concern like Council policies. The required annual report to Council could be presented in conjunction with the auditor’s report. Discussed cost of additional oversight, internal controls, and Council policies. General consensus that this committee had been performing their duties by reviewing the additional financial reports as needed but that the Council recognized a need for a change.

CONSENSUS: The Finance Director and City Manager will check with local financial experts to see if someone would like to assist this committee in the discharge of their duties; and determine the additional cost, if any. A meeting would be called for July or early August to review the auditor’s scope of work with the independent financial expert to see if the committee had any concerns or for areas needing review. A conference call would be scheduled with the auditors to review those concerns, if any, and a cost estimate would be requested if the request exceeded the scope of work.

The meeting adjourned at approximately 4:00 p.m.

Cynthia J. Lokovich, CAP-OM
Executive Secretary