



1015 Cultural Park Blvd.
Cape Coral, FL

AGENDA

MEETING OF THE CITY OF CAPE CORAL AUDIT COMMITTEE

August 7, 2019	3:00 PM	Conference Room 2006
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- 1. Meeting called to order**
 - A. Chair Hiatt
- 2. ROLL CALL**
 - A. Austin, Hiatt, Stevens, Stout, and Wolfson
- 3. CHANGES TO AGENDA / ADOPTION OF AGENDA**
- 4. Public Input**
- 5. APPROVAL OF MINUTES**
 - A. July 10, 2019 Meeting Minutes
- 6. BUSINESS**
 - A. City Auditor's Office Update Report - City Auditor Butola
- 7. Member Comments**
- 8. Time and Place of Next Meeting**
 - A. The next Audit Committee meeting will be held on Wednesday, September 18, 2019, at 3:00 p.m. in Conference Room 2006.
- 9. Motion to Adjourn**

In accordance with the Americans with Disabilities Act and Section of 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Office of the City Clerk at least forty-eight (48) hours prior to the meeting. If hearing impaired, telephone the Florida Relay Service Numbers, 1-800-955-8771

(TDD) or 1-800-955-8770 (v) for assistance.

If a person decides to appeal any decision made by the Board/Commission/Committee with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

Item Number: 5.A.
Meeting Date: 8/7/2019
Item Type: Approval of Minutes

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

July 10, 2019 Meeting Minutes

SUMMARY:

ADDITIONAL INFORMATION:

ATTACHMENTS:

Description	Type
Meeting Minutes - July 10, 2019	Backup Material

**MINUTES OF THE MEETING OF THE
CITY OF CAPE CORAL AUDIT COMMITTEE**

Wednesday, July 10, 2019

CONFERENCE ROOM 2006

3:00 P.M.

The meeting was called to order at 3:00 p.m. by Chair Hiatt.

ROLL CALL: Chair Hiatt, Members Austin, and Stevens were present. Members Stout and Wolfson were excused.

ALSO PRESENT: Andrea Butola, City Auditor
Christopher Phillips, Mgt/Budget Administrator arrived at 3:09 p.m.

CHANGES TO AGENDA / ADOPTION OF AGENDA

Vice Chair Stevens moved, seconded by Committee Member Austin, to adopt the Agenda for the July 10, 2019 meeting, as presented. Voice Poll: All "ayes." Motion carried.

Public Input

None.

Approval of Minutes

June 12, 2019 Meeting Minutes

The minutes from the Audit Committee meeting of June 12, 2019 were presented for approval.

Vice Chair Stevens had a question regarding the Fleet Vehicles Audit Report, specifically having to do the vehicles that are taken home, such as the Police units.

City Auditor Butola explained that there were other vehicles authorized to be taken home by Fire, Division Chief, pickup trucks, etc.

Discussion held regarding where other vehicles are stored and parked on the premises.

Discussion held regarding the Charter School outstanding recommendations.

Vice Chair Stevens moved, seconded by Committee Member Austin, to approve the June 12, 2019 Meeting Minutes, as presented. Voice Poll: All "ayes." Motion carried.

BUSINESS

Proposed Strategic and Audit Plan FY 2020 (DRAFT) – City Auditor Butola

Chair Hiatt inquired about the Audit Plan for FY 2021 that was included in the report.

City Auditor Butola responded that the proposed plan was for FY 2020 and FY 2021, and the Risk Assessment was scheduled for FY 2022.

Discussion held regarding the City's fiscal year from October 1 through September 30.

City Auditor Butola discussed the Proposed Strategic and Audit Plan for the Fiscal Year 2020, which contained the following categories:

- Vision/Mission/Values
- Goals/Objectives/Action Plan
- Available Audit Hours: 5,739
- Proposed Annual Audit Plan – FY 2020-2022

Discussion held regarding:

- Two-year audit plan
- Format changes to bullet point set-up
- Possible document title change
- Inclusion of the Goals and Objectives
- FY 2019 only listed five goals vs. FY 2020 seven goals/objectives listed
- One-to-one preference
- Few changes in the Goals and Objectives, only format changes
- Item #7 included due to performance measures
- Slight reduction to the City Auditor's hours from 75% to 70%
- Administrative Support Staff reduced to 5% and forecasted to be eliminated
- Calculation based on the standard 2080 hours minus time off/admin workload
- 5,700 hours used for total available hours for the audit plan

Mgt/Budget Administrator Christopher Phillips arrived at 3:09 p.m.

City Auditor Butola discussed the Proposed Annual Audit Plan for FY 2020 as follows:

- 700 projected hours baseline
- Reduction of projected work time hours
- Carry over audits removed, and post audit reviews allocated 250 projected hours
- Comparison of the Proposed Audits for FY 2019 and FY 2020
- Risk Management Assessments

Chair Hiatt inquired about when the risk assessment would be completed.

City Auditor Butola responded that the expected completion would be in FY 2021.

Discussion held regarding:

- Financial Services – Procurement Process Review moved to FY 2020
- Fire – Emergency Management Operations Program moved to FY 2020
- Citywide – Travel added to FY 2020
- Parks and Recreation – Sun Splash added to FY 2020
- Concur Citywide Travel Software
- Audit to include local and out-of-town travels
- Non-Audited Services would be covered under Special Projects
- Expansion of the Parks and Sun Splash Wink News Article
- External Audit Facilitation by Clifton Larson Allen – New contract due in FY 2021
- Audit Plan would be updated as issues arise and needed
- P-card system utilization

City Auditor Butola reviewed the Proposed Annual Plan FY 2021 as follows:

- DCD – Building Division – Permits moved from FY 2020 to FY 2021
- Charter School – ongoing implementation of policies and procedures
- City Manager – Economic Development Office moved from FY 2019 to FY 2021
- Parks and Recreation – Special Events will be audited in FY 2021
- Citywide Add Pay and Certifications – New Audit added in FY 2021

Chair Hiatt inquired about the meaning of Add Pay and Certifications.

Discussion held regarding:

- Additional pay for specific certifications, such as diving certification
- Category mostly for Fire, Police, and notaries may be included
- Staff's add pays and certifications - significant cost based on level of training
- Continuing education training
- Purpose of audit to verify certifications

City Auditor Butola mentioned that the other new audit in FY 2021 included a Fire Logistics Division audit.

Discussion held regarding the Peer Review for FY 2020 and the New Contract External Audit Facilitation in FY 2021

Chair Hiatt inquired about the start process for the new external audit contract.

City Auditor Butola responded that it may start on the third or fourth year of the current contract.

Discussion held regarding the Government Accounting Standards Board (GASB) updates, specific to GASBS 34 dealing with assets reporting standards. She mentioned that there were no audits included for FY 2022 because of the Risk Assessment being performed for FY 2022, 2023, and 2024.

Vice Chair Stevens suggested to add an audit for the GO Bond in the proposed plan.

Member Austin responded in the affirmative.

City Auditor Butola agreed with the suggestion for an audit on the GO Bond.

Discussion held regarding:

- \$10.2 million borrowed from the GO Bond
- Parks Management Plan containing specific timeline
- Suggestion to conduct the GO Bond audit in FY 2020
- City's website link with data on the GO Bond expenditures, timeline, and updates

City Auditor Butola recommended to substitute in the FY 2020 Proposed Annual Audit Plan the Utilities–Collection Distribution Operations and Maintenance with the Parks & Recreation–Go Bond Expenditures.

Discussion held regarding the DCD-Building Division-Permits audit may be removed.

Committee Member Austin moved, seconded by Vice Chair Stevens, to recommend to Council to accept the FY 2020 Strategic and Audit Plan, as amended. Voice Poll: All “ayes.” Motion carried.

City Auditor's Office Update Report – City Auditor Butola

City Auditor Butola reviewed the 6/12/19 through 7/9/19 Update of City Auditor's Office Activities dated July 9, 2019, which was emailed to the Committee. The report included the following:

In Progress – Internal Staff:

- Citywide Overtime and Authorization

Vice Chair Stevens inquired if Police and Fire divisions were being included in the Citywide Overtime and Authorization.

City Auditor Butola responded in the affirmative. The audit would be conducted on all the City departments. She continued with the following update:

- Community Development Code Compliance
- Post Audit Review – Timekeeping
- Post Audit Review – Charter School – Best Practices

Vice Chair Stevens inquired about the Charter School pending eight recommendations.

City Auditor Butola responded that the validation and verification was still pending, and everything has been received from the Charter School.

City Auditor Butola continued with the update as follows:

- Post Audit Review – Parks & Recreation Coral Oaks Golf Course – Internal Staff

- Post Audit Review – Public Works Stormwater Operations – Internal Staff
- Post Audit Review – Public Works Citywide Fleet Vehicles – Internal Staff
- Non-Audit Service – Finance Business Process Review – Internal Staff

Chair Hiatt inquired if the City had received any reimbursement for Hurricane Irma.

Mgt/Budget Administrator Phillips updated that some funds were received and there are pending claims being reviewed at the State level.

Discussion held regarding the amount that would be reimbursement, which would be the major portion of the claims.

Vice Chair Stevens inquired about the Charter School audit reporting and which recommendations have been satisfied.

City Auditor Butola responded that she would provide an update to reflect which recommendations were satisfied in the July through August audit report.

Discussion held regarding the internal fund budget for the Charter School.

Chair Hiatt inquired if the Charter School had received all the required training.

City Auditor Butola responded that this was still pending. She continued with the update report as follows:

Other

- Revision and leaning of office and audit processes as they relate to the EWP's is ongoing.
- Candidate selected for anticipated vacancy for the Senior Administrative Specialist position due to retirement 8/30/19.
- Assist in CCPD administrative review for overtime.

Vice Chair Stevens inquired about the CCPD administrative review for overtime and FY 2020 Proposed Audit overlap.

City Auditor Butola responded that the samples included in the CCPD administrative review for overtime would be excluded from the FY 2020 Proposed Audit. She continued with the update report as follows:

- Completed EWP template for audits and worked on finalizing templates for Non-audit services.
- Completed FY 2020 Audit Plan.
- Attended City Council meetings and City Manager's Director Staff meeting.
- Continue to review and update CAO policies and procedures, report, and memo formats.
- Continue ongoing monitoring of open audit recommendations through EWP software.

FY 2019 YTD Follow Up Action Register:

- Attachment A as of July 9, 2019

Professional Development:

- Department staff attended training webinars and seminars during this period on Code of Ethics Implementation Guides. Audit standards require all members of the audit staff to achieve continuing education credits each year.

Focus for the next period:

The City Auditor and staff:

- Internal staff will:
 - Focus on reviewing and updating audit policy and procedures to reflect new processes for EWP.
 - Attend new financial software business process meetings as necessary.
 - Continue work on audits and special projects in progress and assign FY2019 audits per audit plan.
- Continue tracking recommendations for post audit review.

Member Comments

Vice Chair Stevens inquired about the large donation to the City for the pickleball courts.

Discussion regarding the donation.

Time and Place of Next Meeting

The next Audit Committee was scheduled for Wednesday, August 7, 2019, at 3:00 p.m. in Conference Room 2006.

Chair Hiatt reminded the Committee that she would not be available for the August and September meetings. She confirmed that Vice Chair Stevens would conduct the meetings.

Discussion held regarding the possibility of remote attendance and voting at the meetings.

Motion to Adjourn

There being no further business, the meeting adjourned at 4:05 p.m.

Submitted by,

Betty Castillo
Recording Secretary

Item Number:	6.A.
Meeting Date:	8/7/2019
Item Type:	BUSINESS

AGENDA REQUEST FORM
CITY OF CAPE CORAL



TITLE:

City Auditor's Office Update Report - City Auditor Butola

SUMMARY:

ADDITIONAL INFORMATION: